



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

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www.commerce.wa.gov

September 18, 2014

David Schumacher
Director, Office of Financial Management
Post Office Box 43113
Olympia, WA 98504-3113

Re: Department of Commerce 2015-17 Operating Budget Request

Dear Mr. Schumacher:

On behalf of the Department of Commerce, I am pleased to present the 2015-17 Operating Budget request. This request includes three maintenance level items to ensure continued key operations. Two items are to align revenue to expenditures and one for lease increases. It also includes thirty policy level items that align with OFM's 15% reduction request, Governor Inslee's priorities under Results Washington, and Commerce's mission, key goals and outcomes.

In putting together our proposals, we have been very mindful of the limited funding available. We have looked at our entire budget and made very tough decisions on reductions and eliminations to put forward with the hope that these will offset the essential additions we have requested. None of this has been easy. The reductions and eliminations put forward are all good programs; further, some reductions we had to put forward are still core to our mission, but there was no way to reach our 15% reduction target and offset our requests without including some level of cut to those programs.

Again, all of the reductions and eliminations are not necessarily what we want to do, but in comparison to the other essential programs we are requesting we felt these were the right packages to put forward. Within these constraints we are putting forward a set of budget and legislative packages that would move the state ahead by growing and improving jobs, implementing components of the State Energy Strategy, and supporting our businesses and communities. These will be accomplished by funding the following packages: Homeless School Children, Sector Economic Development, Tribal Economic Development Specialist, Foreign Direct Investment, Growth Management Plan Updates, Enterprise Regulatory Improvement, Community Economic Revitalization Board, and Public Works Board.

David Schumacher
September 18, 2014
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Thank you in advance for your consideration of our proposals. We look forward to working with the Governor and the OFM team as you put together the statewide budget recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Bonlender", with a long, sweeping horizontal line extending to the right.

Brian Bonlender
Director

Enclosure



Department of Commerce

Innovation is in our nature.

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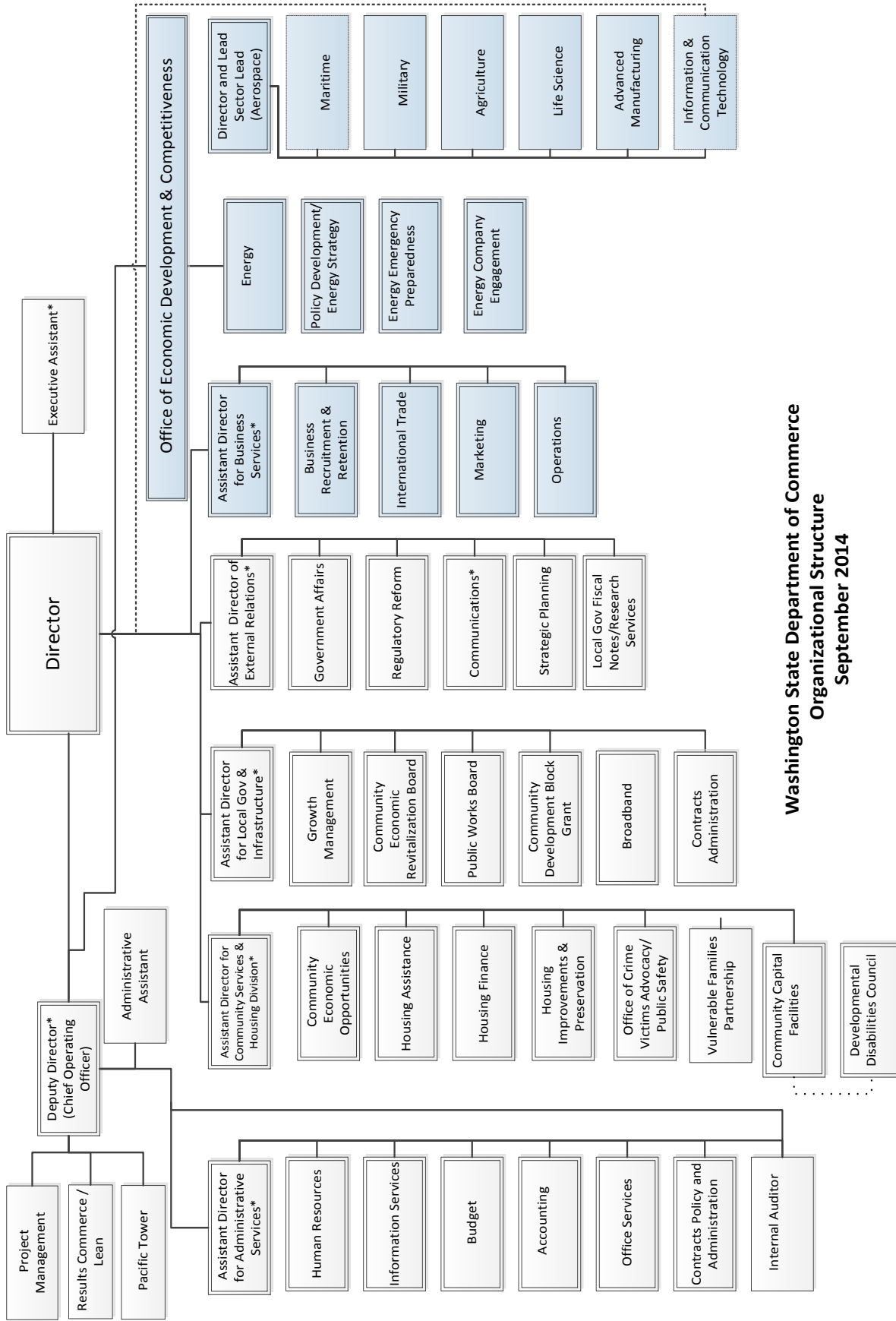
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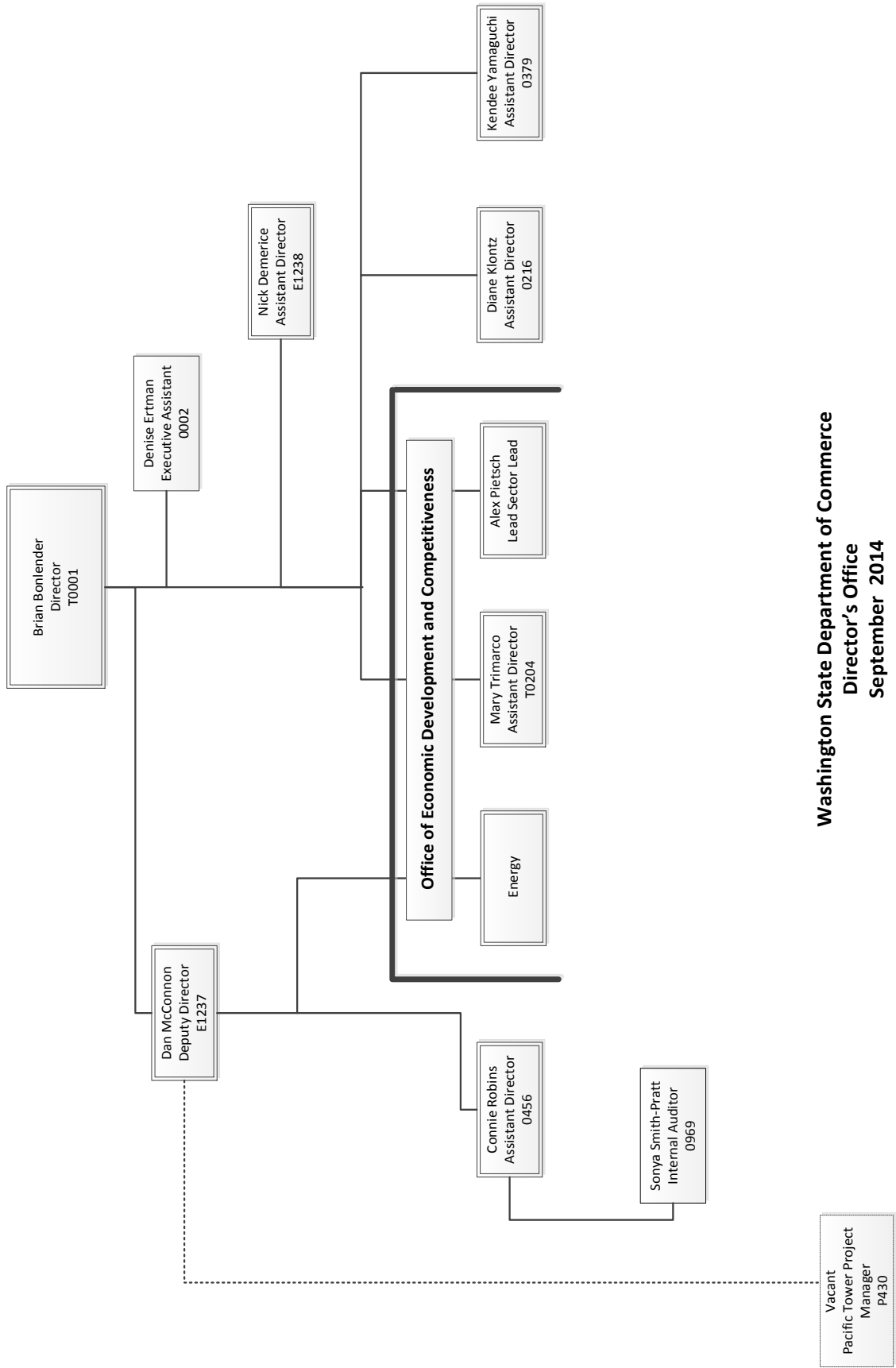
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**Washington State Department of Commerce
Organizational Structure
September 2014**

* Member of Agency Management Team



Washington State Department of Commerce
Director's Office
September 2014

Department of Commerce

Activity Number and Title

<u>Number</u>	<u>Title</u>
A003	Community Services Block Grant
A005	Developmental Disabilities Council and Endowment
A007	Streamline Housing and Community Development
A008	Services to Crime Victims
A011	Strengthening Criminal Justice Response to Victims of Crime
A012	Long-Term Care Ombudsman Program
A013	Low-Income Home Energy Assistance Program
A019	Train and Maintain Volunteers, Supporting Community Capacity
A025	Agency Administration
A035	Community Economic Revitalization Board and Program
A049	State Energy Policy
A050	Broadband Capacity Building
A064	Lead-Based Paint Hazard Mitigation
A065	Improve and Preserve the Affordability of Housing
A068	Mobile Home Relocation Assistance
A092	Bond Cap Allocation Program for Tax Exempt Financing Authorization
A096	Community Development Block Grant (CDBG)
A097	Community Mobilization Against Substance Abuse and Violence
A100	Drinking Water System Grants and Loans
A104	Growth Management
A106	Local Government Fiscal Notes
A113	Public Works Infrastructure Grants and Loans
A153	Farm Worker Housing
A157	Homeless Housing and Assistance
A159	Affordable Housing Development
A163	Business Development
A167	Economic Development – Business Loans
A168	Asset Building for Working Families
A171	Global Trade and Investment Services
A177	Criminal Justice Investments
A179	New Americans
A180	American Recovery Act Funding
A181	HERA – Neighborhood Stabilization Program Housing and Economic Revitalization Act
A182	Municipal Research and Services Center (MRSC)
A183	Public Facilities District Independent Financial Feasibility Reviews
A184	Sector Leads

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A007 Streamline Housing and Community Development

This activity includes new initiatives, short-term efforts and other services designed to enhance the cooperation of programs and improve the effectiveness of community housing and community development programs.

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-7 Private/Local	(1.0)	(1.0)	(1.0)
001 General Fund			
001-1 State	\$1,264,000	\$0	\$1,264,000
001-7 Private/Local	\$(1,086,828)	\$522,201	\$(564,627)
001 Account Total	\$177,172	\$522,201	\$699,373

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	0.6	0.0	0.3
001-7 Private/Local	1.6	1.1	1.4
001 General Fund			
001-1 State	\$2,480,364	\$3,713,926	\$6,194,290
001-7 Private/Local	\$1,053,934	\$278,003	\$1,331,937
001 Account Total	\$3,534,298	\$3,991,929	\$7,526,227

Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide support services to children and families

Expected Results

Develop partnerships that result in cross-agency research, systems improvements, or other initiatives that result in better results for Washington.

A167 Economic Development - Business Loans

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

This activity allows the state to provide direct financing to private businesses without violating the constitutional prohibition of lending the state's credit. Federally funded programs in this activity (Rural Washington Loan Fund, Brownfields Loan Fund, Coastal Loan Fund) assist businesses in rural communities each year with loans of up to \$1 million. The loans leverage substantial local resources from governments, banks, and the businesses receiving the loans. As a result of these investments, businesses are retained, able to expand, and/or move to Washington State. This activity also provides loans from the state-funded Manufacturing Innovation and Modernization and Hanford Economic Investment programs.

Account	FY 2016	FY 2017	Biennial Total
759 Miscellaneous Program Account			
759-6 Non-Appropriated	\$(15,350,000)	\$(3,638,000)	\$(18,988,000)

Program 6A0 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	0.2	0.9	0.6
001-2 Federal	0.5	0.0	0.3
001 General Fund			
001-2 Federal	\$635,708	\$0	\$635,708
746 Hanford Area Economic Investment			
746-6 Non-Appropriated	\$404,000	\$0	\$404,000

Program 700 - Business Services

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-2 Federal	\$3,853	\$1,859	\$5,712
759 Miscellaneous Program Account			
759-6 Non-Appropriated	\$(5,999,000)	\$6,002,000	\$3,000

Program 7A0 - Business Services

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	1.2	1.0	1.1
001 General Fund			
001-1 State	\$60,631	\$30,127	\$90,758
759 Miscellaneous Program Account			
759-6 Non-Appropriated	\$15,524,000	\$3,811,000	\$19,335,000

Statewide Result Area: Prosperous Economy

Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments

Expected Results

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Bring and retain small business to rural Washington.

A003 Community Services Block Grant

The Community Services Block Grant (CSBG) is authorized by the federal Omnibus Reconciliation Act of 1981 (PL 97 35, as amended) for the benefit of people with incomes at or below 125 percent of the poverty line. CSBG allows communities to develop and provide anti poverty services and community development activities that best meet their local needs. Funds can be used for direct services such as employment readiness and training, emergency services, and housing, to raise other funds, and to support certain capital investments. Commerce contracts with 30 community action agencies to fund social and economic challenges and provide ongoing training and technical assistance, board training and development, strategic planning, and problem solving with community action agency staff.

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(0.1)	(0.1)	(0.1)
001 General Fund			
001-1 State	\$(167,922)	\$(167,922)	\$(335,844)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(11,709)	\$26,292	\$14,583

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	5.1	5.5	5.3
001-2 Federal	5.4	5.3	5.4
001 General Fund			
001-1 State	\$1,537,117	\$1,604,742	\$3,141,859
001-2 Federal	\$8,601,119	\$1,363,928	\$9,965,047
001 Account Total	\$10,138,236	\$2,968,670	\$13,106,906

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Provide support services to children and families

Expected Results

Individuals below the 125 percent poverty line have the skills, training, and amenities they need to reach self-sufficiency.

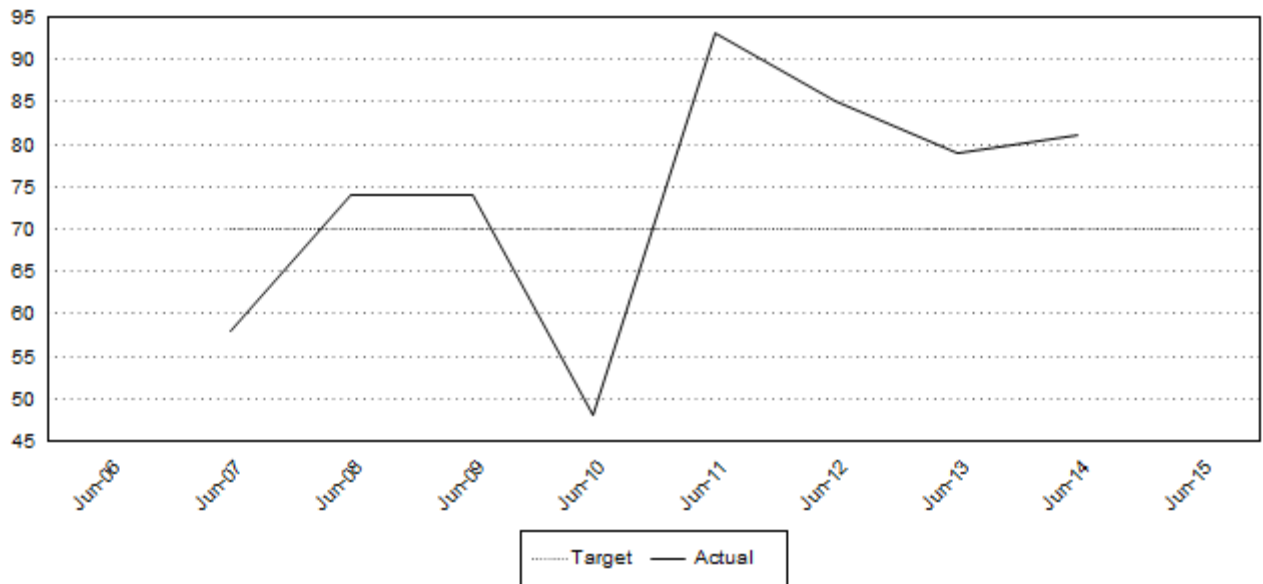
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001069 Community Services Block Grant. Percent of low income individuals receiving one or more non-emergency service from a community action agency who make progress during the period.

Biennium	Period	Actual	Target
2013-15	A3		70%
	A2	81%	70%
2011-13	A3	79%	70%
	A2	85%	70%
Performance Measure Status: Approved			

Percent

001069 - Individuals making progress



A005 Developmental Disabilities Council and Endowment

The Washington State Developmental Disabilities Council is mandated by federal law, public law 106-402. The purpose of the Council is to plan, advocate for, and develop comprehensive services/supports for individuals with developmental disabilities so that they can live independent productive and integrated lives in local communities throughout the state. The Council is funded with federal funds provided through P.L. 106-402. The Developmental Disabilities Endowment Trust Fund is established in RCW 43.330.210. The purpose of the Governing Board is to design and establish all policies to administer the Developmental Disabilities Endowment Trust Fund program. The Governing Board and the operation of the Developmental Disabilities Endowment Trust Fund are funded by fees generated by the program.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
263-1 State	(0.8)	(0.8)	(0.8)
001-1 State	(1.0)	(1.0)	(1.0)
001-2 Federal	(8.2)	(8.2)	(8.2)
FTE Total	(10.0)	(10.0)	(10.0)
263 Community and Economic Development Fee Account			
263-1 State	\$(225,084)	\$(225,640)	\$(450,724)
001 General Fund			
001-1 State	\$(57,000)	\$(57,000)	\$(114,000)
001-2 Federal	\$(1,319,511)	\$(1,243,403)	\$(2,562,914)
001 Account Total	(\$1,376,511)	(\$1,300,403)	(\$2,676,914)

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
263-1 State	0.8	0.8	0.8
001-2 Federal	7.9	7.9	7.9
FTE Total	8.7	8.7	8.7
263 Community and Economic Development Fee Account			
263-1 State	\$327,640	\$327,640	\$655,280
001 General Fund			
001-2 Federal	\$1,414,864	\$1,228,403	\$2,643,267

Statewide Result Area: Healthy and Safe Communities

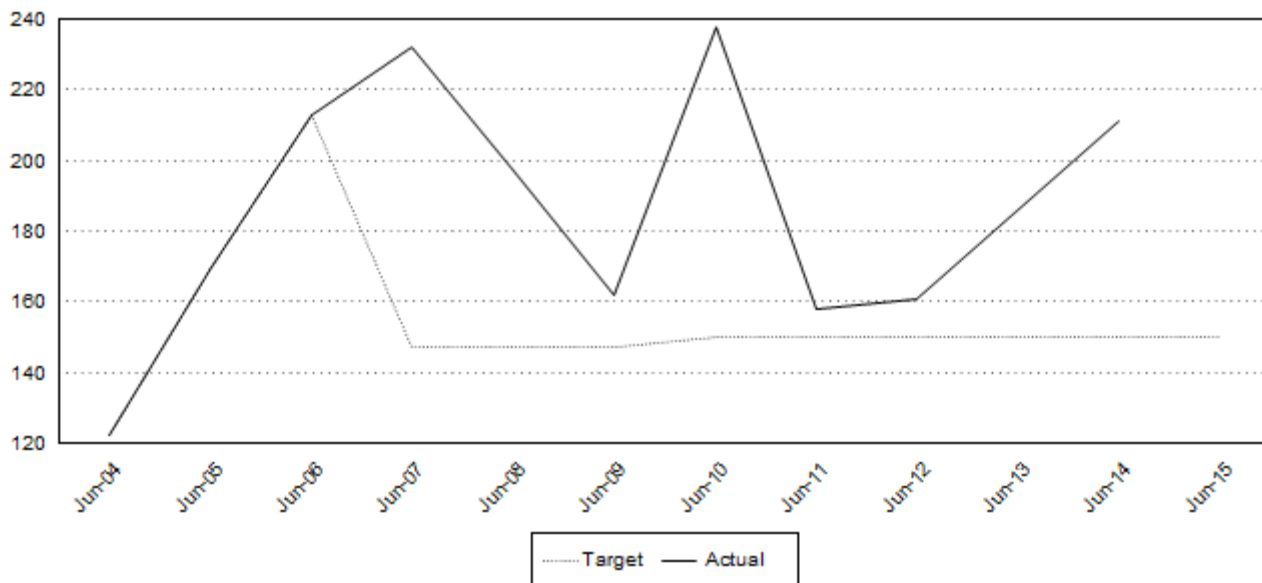
Statewide Strategy: Provide support services to children and families

Expected Results

People with developmental disabilities and families members report they are more independent, included and integrated into all aspects of community life as a result of Council efforts.

001075 Number of persons for whom a developmental disabilities endowment trust fund is established.			
Biennium	Period	Actual	Target
2013-15	A3		150
	A2	211	150
2011-13	A3		150
	A2	161	150
Performance Measure Status: Approved			

Number 001075 - Developmental disabilities endowment fund established



A008 Services to Crime Victims

The Office of Crime Victims Advocacy (OCVA) ensures that every county in Washington can provide services to help victims recover and return to normal life. Victim services include information and referral, crisis intervention, legal advocacy, medical advocacy, general advocacy and support, support groups, and therapy. OCVA provides funding to Community Sexual Assault programs and other community agencies so victims can access local services and resources during their recovery.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(1.1)	(1.1)	(1.1)
001 General Fund			
001-1 State	\$(1,378,852)	\$(1,378,852)	\$(2,757,704)
777 Prostitution Prevention and Intervention Account			
777-1 State	\$19,000	\$0	\$19,000

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
777-1 State	(1.1)	0.0	(0.6)
001 General Fund			
001-1 State	\$(48,849)	\$(48,849)	\$(97,698)
777 Prostitution Prevention and Intervention Account			
777-1 State	\$(72,000)	\$0	\$(72,000)

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	6.5	6.6	6.6
001-2 Federal	4.3	4.4	4.4
001 General Fund			
001-1 State	\$8,162,714	\$9,530,820	\$17,693,534
001-2 Federal	\$9,516,846	\$11,218,284	\$20,735,130
001 Account Total	\$17,679,560	\$20,749,104	\$38,428,664
777 Prostitution Prevention and Intervention Account			
777-1 State	\$26,000	\$0	\$26,000

Statewide Result Area: Healthy and Safe Communities**Statewide Strategy: Protect and support victims of crime****Expected Results**

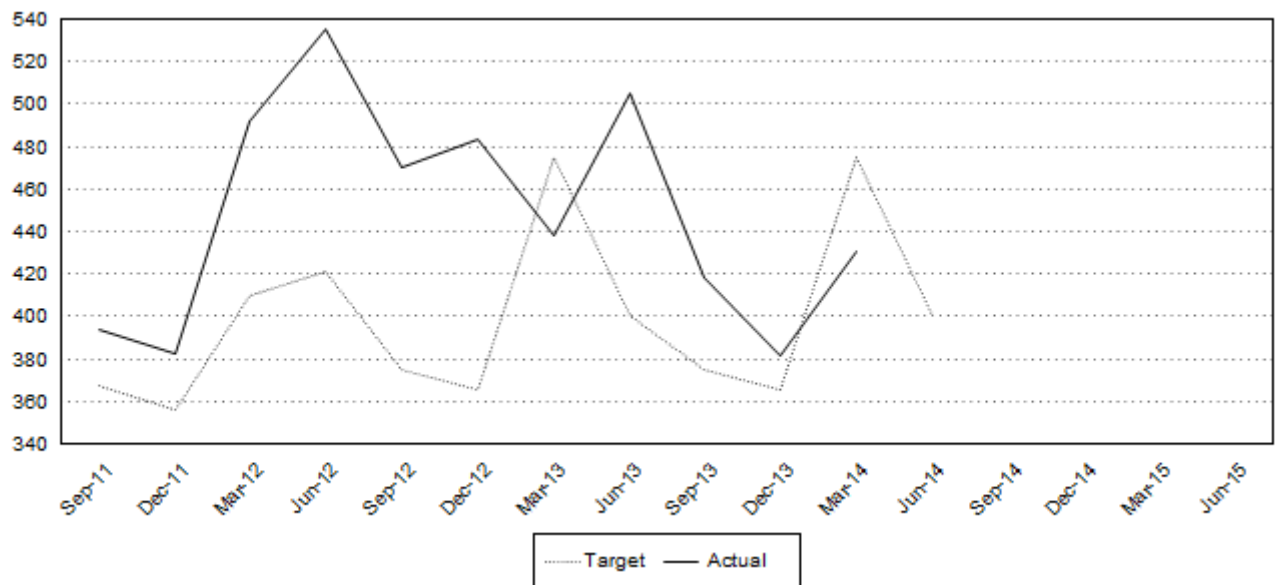
Victims of crime receive services to address the impacts of crime on their lives, in order to return to a normal life.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

002010 Median service hours per agency was selected as measure to allow analysis of agency performance in monitoring.			
Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		400
	Q3	431	475
	Q2	381	365
	Q1	418	375
2011-13	Q8	505	400
	Q7	437.9	475
	Q6	483	365
	Q5	469.75	375
	Q4	535	421
	Q3	492	410
	Q2	382	356
	Q1	394	367
Performance Measure Status: Approved			

Number

002010 - Median Hours of Service Delivered Per Agency



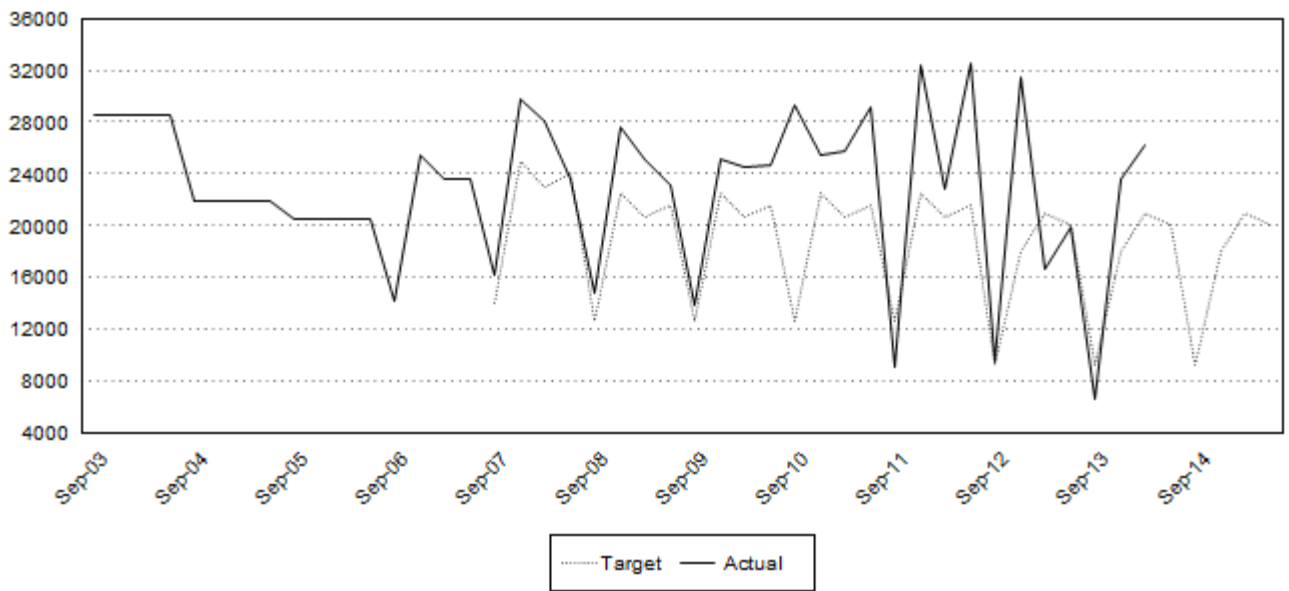
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001085 Number of people who participated in prevention presentations/events.			
Biennium	Period	Actual	Target
2013-15	Q8		20,000
	Q7		21,000
	Q6		18,000
	Q5		9,200
	Q4		20,000
	Q3	26,224	21,000
	Q2	23,510	18,000
	Q1	6,621	9,200
2011-13	Q8	19,921	20,000
	Q7	16,594	21,000
	Q6	31,511	18,000
	Q5	9,424	9,200
	Q4	32,585	21,600
	Q3	22,823	20,700
	Q2	32,328	22,500
	Q1	9,108	12,600
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001085 - Participation in prevention events



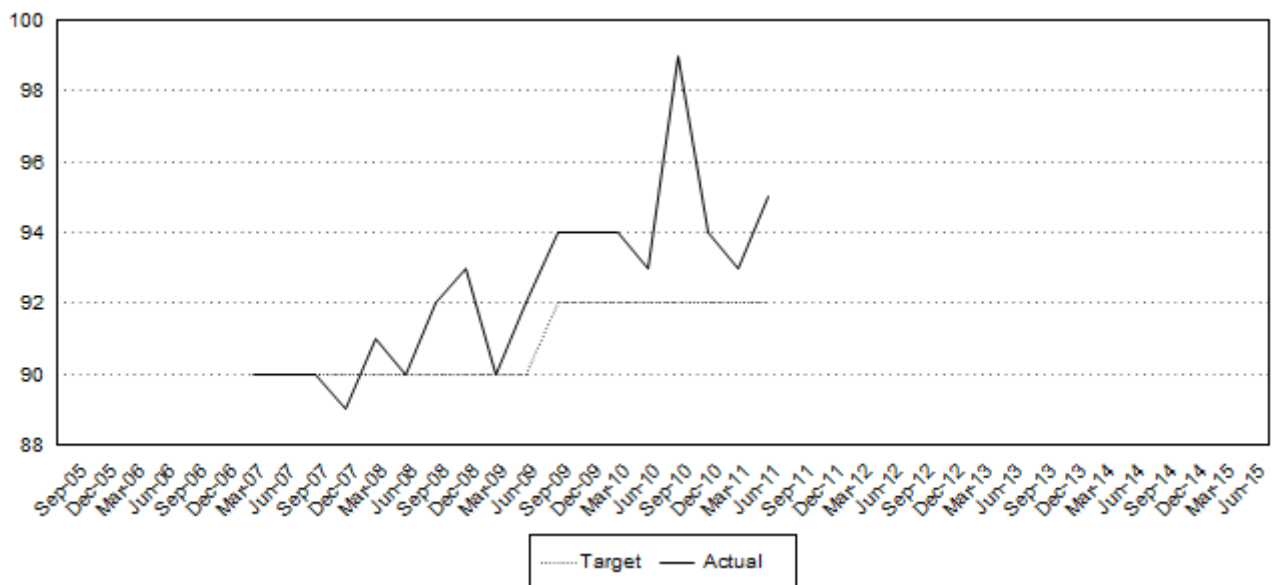
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001079 Percent of Victims Who Agree or Strongly Agree that Services Were Effective for Them. Next quarter we will begin reporting on the number of clients and hours of service delivered. Past surveys have demonstrated the effectiveness of these services.

Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1		
2011-13	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1		
Performance Measure Status: Approved			

Percent

001079 - Victims who agree services were effective



A011 Strengthening Criminal Justice Response to Victims of Crime

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Victims look to the criminal justice system to provide offender accountability and a sense of justice. The criminal justice system depends on the cooperation of crime victims for reporting, investigation, and sometimes prosecution and corrections. This interdependence has been recognized by both state and federal legislation and funding, resulting in specific programs within the Office of Crime Victims Advocacy. These programs improve coordination and response to victims as they interact with law enforcement, prosecution, courts, and crime victim services. This activity also funds services that support victim safety and support victim participation in the criminal justice system.

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(0.4)	(0.4)	(0.4)
001 General Fund			
001-1 State	\$(224,027)	\$(224,027)	\$(448,054)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(30,580)	\$(30,580)	\$(61,160)

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	4.1	4.1	4.1
001-2 Federal	2.9	2.9	2.9
001 General Fund			
001-1 State	\$2,925,992	\$1,597,655	\$4,523,647
001-2 Federal	\$5,864,151	\$2,991,534	\$8,855,685
001 Account Total	\$8,790,143	\$4,589,189	\$13,379,332
777 Prostitution Prevention and Intervention Account			
777-1 State	\$72,000	\$0	\$72,000

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Protect and support victims of crime

Expected Results

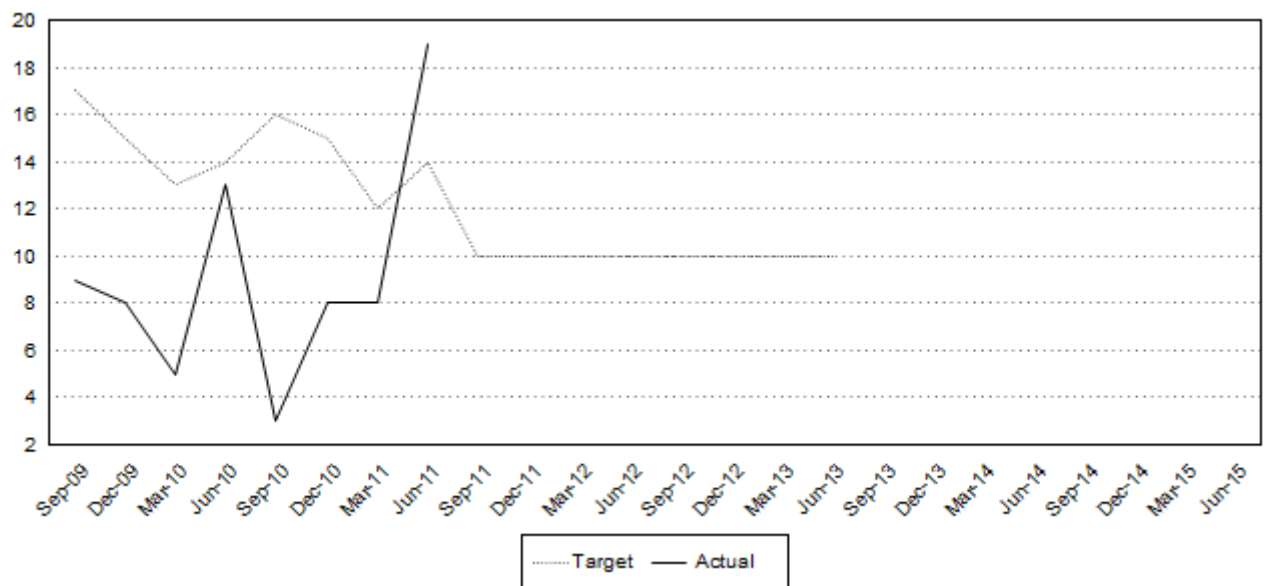
Law enforcement, prosecutors, and victim advocates work together to support victim participation in the criminal justice system to hold offenders accountable for their crimes

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001091 Number of domestic violence homicides			
Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1		
2011-13	Q8		10
	Q7		10
	Q6		10
	Q5		10
	Q4		10
	Q3		10
	Q2		10
	Q1		10
Performance Measure Status: Approved			

Number

001091 - Domestic violence homicides



Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

002009 This measure shows the numbers of victims who receive a service that includes assistance each quarter. Services including assistance consist of protection orders, court proceedings, impact statements, restitutions and compensation claims.

Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		7,800
	Q3	8,540	8,400
	Q2	8,201	6,800
	Q1	5,959	6,400
2011-13	Q8	4,570	7,800
	Q7	9,652	8,400
	Q6	7,863	6,800
	Q5	7,392	6,400
	Q4	7,366	
	Q3	9,388	
	Q2	7,863	
	Q1	7,392	
Performance Measure Status: Approved			

Number **002009 - Number of Services Including Assistance Received by Victims**



A012 Long-Term Care Ombudsman Program

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

States are required by the federal Older Americans Act to have a Long-term Care Ombudsman Program. Commerce administers our state's program under Chapter 43.190 RCW using multiple funding sources, including an interagency agreement with the Department of Social and Health Services (DSHS) for Older Americans Act (Titles III B and VII) funds, State General Fund, and some local dollars. The Long-term Care Ombudsman Program ensures the safety and quality of care of long-term care facility residents by intervening when complaints and situations of possible abuse, neglect, or exploitation arise. Over 500 volunteer ombudsmen are trained, certified, and assigned to nursing homes, boarding homes, and adult family homes. Commerce contracts with a nonprofit organization to run the program, which subcontracts with 13 regional programs and two legal services contractors. Commerce's staff negotiates funding with DSHS, develops the statewide Long-term Care Ombudsman contract, monitors expenditures and performance, provides technical assistance, and approves plans and policies.

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(111,120)	\$(111,120)	\$(222,240)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$303,221	\$(2,779)	\$300,442

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$806,539	\$1,115,414	\$1,921,953

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Respond to abuse/neglect allegations

Expected Results

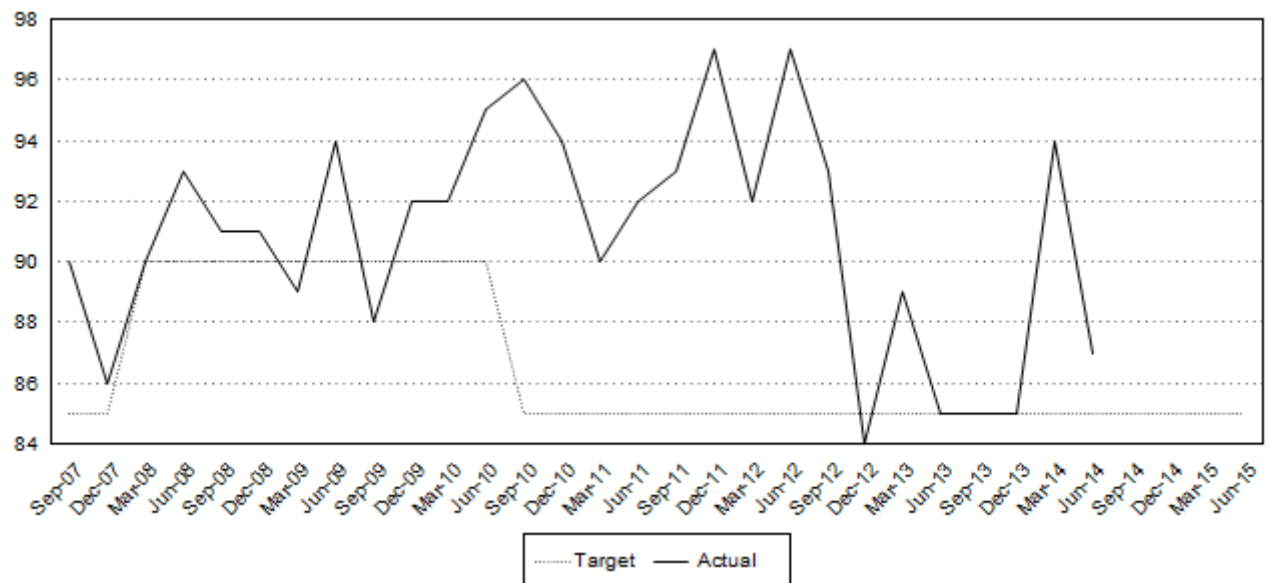
Washington's older citizens receive proper care and certified volunteers promptly intervene when complaints and situations of mistreatment occur.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001073 Percent of health and safety complaints resolved in long term care facilities.			
Biennium	Period	Actual	Target
2013-15	Q8		85%
	Q7		85%
	Q6		85%
	Q5		85%
	Q4	87%	85%
	Q3	94%	85%
	Q2	85%	85%
	Q1	85%	85%
2011-13	Q8	85%	85%
	Q7	89%	85%
	Q6	84%	85%
	Q5	93%	85%
	Q4	97%	85%
	Q3	92%	85%
	Q2	97%	85%
	Q1	93%	85%
Performance Measure Status: Approved			

Percent

001073 - Health and safety complaints resolved



A013 Low-Income Home Energy Assistance Program

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

The Low-Income Home Energy Assistance Program (LIHEAP) is a federal block grant program authorized by the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of PL 97 35, as amended). LIHEAP helps households with incomes below 125 percent of the federal poverty level meet the cost of home heating, avoid utility shut off, and reduce the use of unsafe heating alternatives. Commerce contracts with 26 community based organizations and local governments to provide funds directly to utility companies on behalf of eligible households. Contractors also provide energy education, furnace repair or replacement, and referrals for other services. Commerce is required to create a LIHEAP State Plan with participation from nonprofit organizations, low-income representatives, utility companies, and other community members. The agency administers contracts, monitors compliance, reimburses expenditures, provides technical assistance, establishes policies and procedures, operates a secure website for on line data entry and reporting, and evaluates contractor performance.

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-2 Federal	\$(10,000,000)	\$10,000,000	\$0

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-2 Federal	5.1	5.1	5.1
001 General Fund			
001-2 Federal	\$37,454,228	\$35,463,976	\$72,918,204

Statewide Result Area: Healthy and Safe Communities

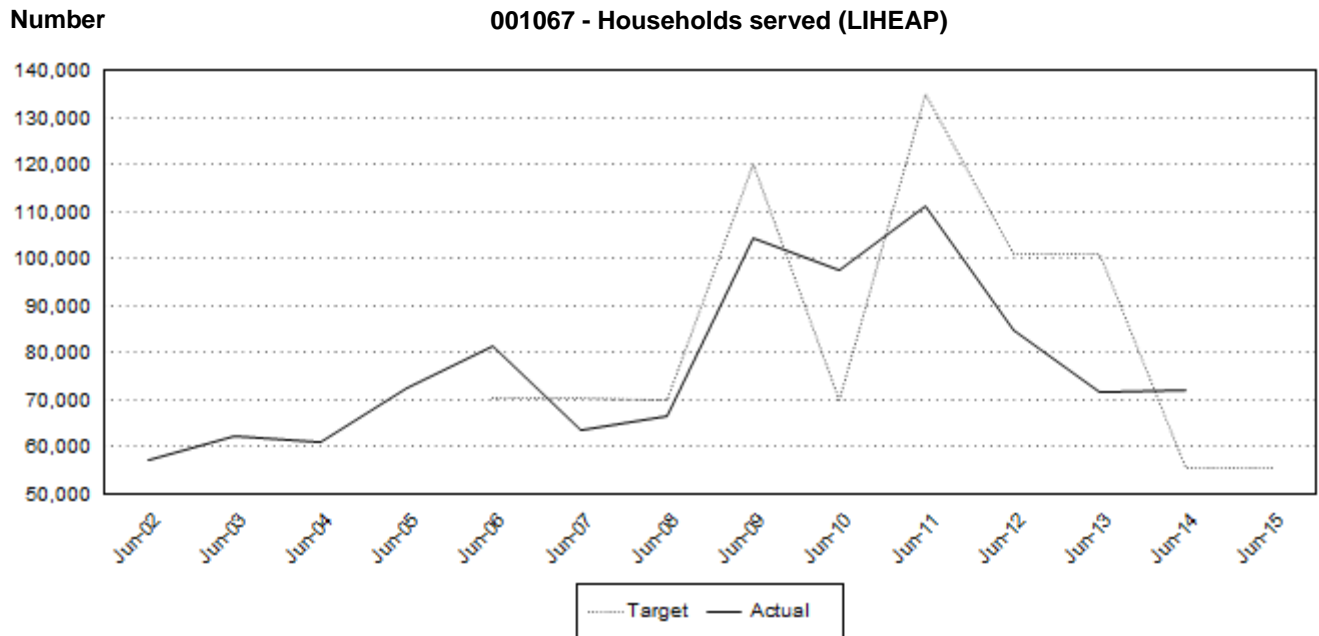
Statewide Strategy: Provide cash, food, and shelter assistance

Expected Results

Individuals below the 125 percent poverty line are able to heat and maintain utility services to their homes, and are trained to reduce the use of unsafe heating alternatives.

001067 Number of households served. Updated annually in October.			
Biennium	Period	Actual	Target
2013-15	A3		55,500
	A2	72,227	55,500
2011-13	A3	71,592	101,000
	A2	84,914	101,000
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity



A019 Train and Maintain Volunteers Supporting Community Capacity

This activity supports organizations that recruit, train, and maintain volunteers, mediators, and counselors who provide free or low cost services to low-income communities, children, and homeowners. Volunteers, mediators, and counselors allow organizations to expand their capacity to reach more vulnerable citizens and improve individual and community well-being. The Washington State Foreclosure Fairness Act Mediation Program provides homeowner foreclosure mediation. Retired judges, employees and volunteers of dispute resolution centers, attorneys and experienced mediators approved through the Foreclosure Mediation Program mediate in-person discussions between homeowners and representatives of financial institutions to reach an agreeable resolution after a referral. Dispute resolution centers train volunteer mediators so that all citizens have access to low-cost alternatives to litigation regardless of the clients' ability to pay. Dispute resolution centers also provide training and education related to mediation, communication, conflict resolution, and negotiation. The Retired and Senior Volunteer Program (RSVP) uses the talents and experience of volunteers over age 55 to help with diverse community needs. Local RSVP coordinators recruit, screen, and work with city, county, and nonprofit programs throughout the state to place volunteers where needed. State funds count toward the 30 percent match required to receive federal RSVP support.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$(2,597,000)	\$(2,605,000)	\$(5,202,000)
001 General Fund			
001-1 State	\$(121,516)	\$(121,516)	\$(243,032)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$9,000	\$20,000	\$29,000

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
17L-6 Non-Appropriated	6.5	6.6	6.6
001-1 State	0.2	0.2	0.2
FTE Total	6.7	6.8	6.8
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$6,928,001	\$6,925,001	\$13,853,002
001 General Fund			
001-1 State	\$799,918	\$799,918	\$1,599,836

Statewide Result Area: Prosperous Economy

Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments

Expected Results

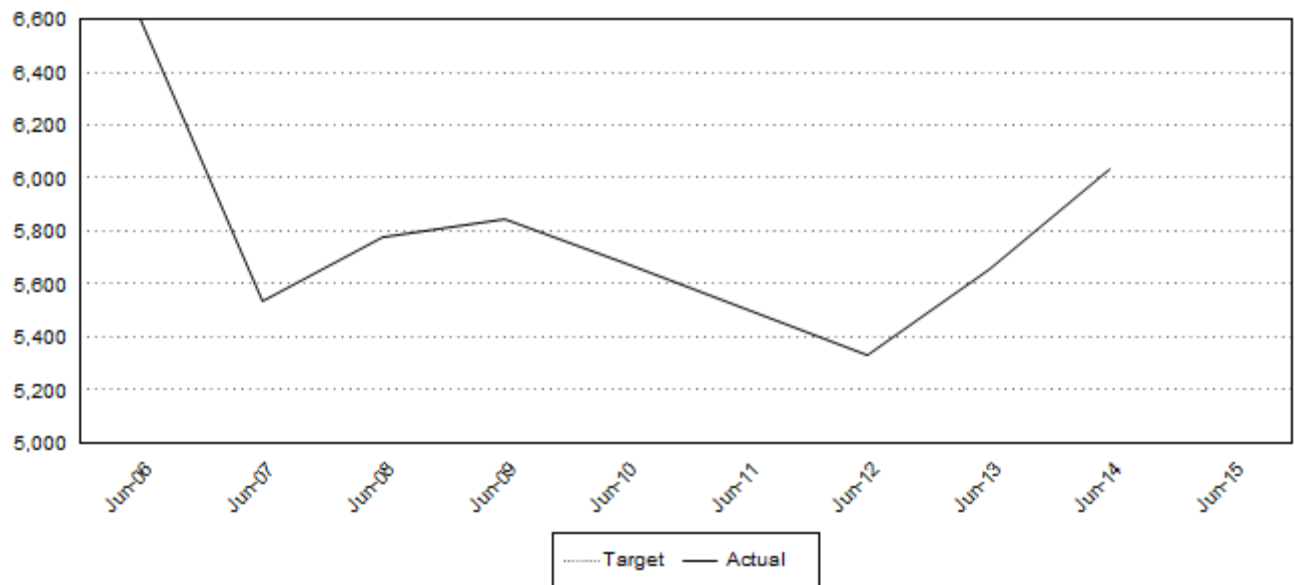
Individuals and families are able to receive housing counseling and foreclosure mediation, address legal issues, and settle disputes. Senior and retired citizens contribute to their communities through volunteerism. Nonprofits and local governments get the benefits of low-cost, skilled labor.

001098 Number of non-litigation cases			
Biennium	Period	Actual	Target
2013-15	A3		5,000
	A2	6,034	5,000
2011-13	A3	5,659	5,000
	A2	5,332	5,000
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001098 - Dispute resolution cases



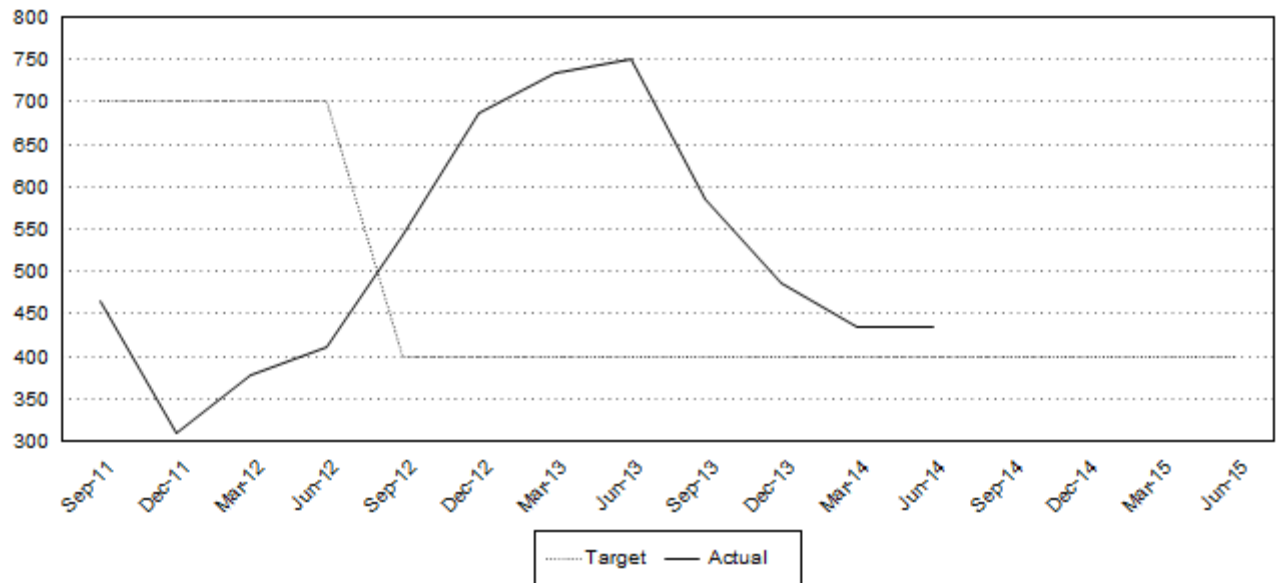
002023 The Foreclosure Fairness Program provides counseling, mediation and legal assistance to homeowners. For RPM, we will track the number of mediation services provided each quarter which have been verified with a certification.

Biennium	Period	Actual	Target
2013-15	Q8		400
	Q7		400
	Q6		400
	Q5		400
	Q4	435	400
	Q3	435	400
	Q2	487	400
	Q1	585	400
2011-13	Q8	751	400
	Q7	735	400
	Q6	686	400
	Q5	543	400
	Q4	411	700
	Q3	378	700
	Q2	309	700
	Q1	464	700

Performance Measure Status: Draft

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

002023 - Foreclosure Fairness Mediation Services Provided

001087 Number of volunteer placements.			
Biennium	Period	Actual	Target
2013-15	A3		11,000
	A2	7,912	11,000
2011-13	A3	9,330	11,000
	A2	12,799	11,000
Performance Measure Status: Approved			

Number

001087 - Volunteer placements

Agency Administration represents less than 2 percent of Commerce's total operating and capital budgets, and includes the services and costs which provide effective direction, management, and support of the agency. The Director's Office is responsible for the overall management and leadership of Commerce, including strategic policy development and research, communications, and government relations. Administrative Services provides information technology, human resources, facility management, purchasing/inventory, mail processing services, budgeting, accounting, contracting, and audit review services. Commerce's Agency Administration costs are supported by all programs and fund sources, through a combination of direct appropriation and indirect assessments. The agency negotiates an annual indirect cost rate with the cognizant federal agency.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
12C Affordable Housing for All Account			
12C-1 State	\$1,837	\$2,486	\$4,323
084 Building Code Council Account			
084-1 State	\$192	\$260	\$452
263 Community and Economic Development Fee Account			
263-1 State	\$4,619	\$6,249	\$10,868
05R Drinking Water Assistance Administrative Account			
05R-1 State	\$1,640	\$2,218	\$3,858
195 Energy Account			
195-6 Non-Appropriated	\$5,846	\$7,908	\$13,754
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$7,167	\$9,696	\$16,863
001 General Fund			
001-1 State	\$59,323	\$80,255	\$139,578
001-2 Federal	\$58,572	\$79,240	\$137,812
001-7 Private/Local	\$2,809	\$3,801	\$6,610
001 Account Total	\$120,704	\$163,296	\$284,000
10B Home Security Fund Account			
10B-1 State	\$15,759	\$21,321	\$37,080
06K Lead Paint Account			
06K-1 State	\$759	\$1,026	\$1,785
501 Liquor Revolving Account			
501-1 State	\$351	\$475	\$826
150 Low-Income Weatherization and Structural Rehab. Assistance Account			
150-1 State	\$428	\$578	\$1,006
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$839	\$1,134	\$1,973
887 Public Facility Construction Loan Revolving Account			
887-1 State	\$4,304	\$5,823	\$10,127
058 Public Works Assistance Account			
058-1 State	\$7,739	\$10,469	\$18,208
532 Washington Housing Trust Account			
532-1 State	\$21,067	\$28,502	\$49,569

Program 100 - Administrative Services

Account	FY 2016	FY 2017	Biennial Total
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Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Program 100 - Administrative Services

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-2 Federal	0.0	(0.2)	(0.1)
001 General Fund			
001-1 State	\$1,941	\$8,572	\$10,513
001-7 Private/Local	\$1,276	\$2,827	\$4,103
001 Account Total	\$3,217	\$11,399	\$14,616

Program 1A0 - Administration and Support Services

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	49.9	47.0	48.5
001-7 Private/Local	0.9	0.6	0.8
12C Affordable Housing for All Account			
12C-1 State	\$39,888	\$39,434	\$79,322
15T Broadband Mapping Account			
15T-N Nonappropriated Federal Stimulus	\$113,234	\$36,692	\$149,926
084 Building Code Council Account			
084-1 State	\$2,644	\$0	\$2,644
263 Community and Economic Development Fee Account			
263-1 State	\$136,366	\$140,402	\$276,768
05R Drinking Water Assistance Administrative Account			
05R-1 State	\$37,638	\$0	\$37,638
14M Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account			
14M-1 State	\$1,852	\$1,761	\$3,613
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$140,799	\$139,199	\$279,998
001 General Fund			
001-1 State	\$2,783,257	\$2,735,189	\$5,518,446
001-2 Federal	\$1,381,874	\$1,471,514	\$2,853,388
001-7 Private/Local	\$387,806	\$160,997	\$548,803
001-8 Federal Stimulus	\$6,393	\$0	\$6,393
001 Account Total	\$4,559,330	\$4,367,700	\$8,927,030
10B Home Security Fund Account			
10B-1 State	\$306,052	\$302,573	\$608,625
06K Lead Paint Account			
06K-1 State	\$17,054	\$7,434	\$24,488
501 Liquor Revolving Account			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Program 1A0 - Administration and Support Services

Account	FY 2016	FY 2017	Biennial Total
501-1 State	\$7,980	\$7,889	\$15,869
150 Low-Income Weatherization and Structural Rehab. Assistance Account			
150-1 State	\$38,658	\$49,481	\$88,139
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$22,137	\$16,131	\$38,268
887 Public Facility Construction Loan Revolving Account			
887-1 State	\$60,685	\$75,397	\$136,082
058 Public Works Assistance Account			
058-1 State	\$284,850	\$306,367	\$591,217
532 Washington Housing Trust Account			
532-1 State	\$437,385	\$450,622	\$888,007

Program 200 - External Relations

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	9.3	9.3	9.3
12C Affordable Housing for All Account			
12C-1 State	\$5,439	\$5,893	\$11,332
15T Broadband Mapping Account			
15T-N Nonappropriated Federal Stimulus	\$15,441	\$5,483	\$20,924
084 Building Code Council Account			
084-1 State	\$360	\$0	\$360
263 Community and Economic Development Fee Account			
263-1 State	\$18,595	\$20,980	\$39,575
05R Drinking Water Assistance Administrative Account			
05R-1 State	\$5,133	\$0	\$5,133
14M Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account			
14M-1 State	\$253	\$263	\$516
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$19,200	\$20,800	\$40,000
001 General Fund			
001-1 State	\$305,622	\$332,824	\$638,446
001-2 Federal	\$188,437	\$219,881	\$408,318
001-7 Private/Local	\$52,883	\$24,057	\$76,940
001-8 Federal Stimulus	\$872	\$0	\$872
001 Account Total	\$547,814	\$576,762	\$1,124,576

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Program 200 - External Relations

Account	FY 2016	FY 2017	Biennial Total
10B Home Security Fund Account			
10B-1 State	\$41,734	\$45,212	\$86,946
06K Lead Paint Account			
06K-1 State	\$2,325	\$1,111	\$3,436
501 Liquor Revolving Account			
501-1 State	\$1,088	\$1,179	\$2,267
150 Low-Income Weatherization and Structural Rehab. Assistance Account			
150-1 State	\$5,272	\$7,394	\$12,666
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$3,019	\$2,410	\$5,429
887 Public Facility Construction Loan Revolving Account			
887-1 State	\$8,275	\$11,266	\$19,541
058 Public Works Assistance Account			
058-1 State	\$38,843	\$45,779	\$84,622
532 Washington Housing Trust Account			
532-1 State	\$59,643	\$67,334	\$126,977

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Agency managers, the Governor, and the Legislature have confidence in financial information and can rely on it to make decisions. Agency workers have reliable computers and networks to do their jobs. Customers have easy access to information. Facilities and vehicles are well-maintained, safe and efficient.

A035 Community Economic Revitalization Board and Program

The Community Economic Revitalization Board (CERB) makes strategic investments in local public infrastructure to foster high-wage job growth. CERB awards must generate either significant job creation or significant private investment. CERB provides local governments and federally recognized Indian tribes with financial assistance, primarily in the form of low-interest loans to achieve this. The infrastructure may be either basic, such as water, sewer, and roads; or more specialized as in port facilities, energy, and telecommunications.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(0.3)	(0.3)	(0.3)
887-1 State	2.2	2.2	2.2
FTE Total	1.9	1.9	1.9
001 General Fund			
001-1 State	\$(1,250,000)	\$(1,250,000)	\$(2,500,000)
887 Public Facility Construction Loan Revolving Account			
887-1 State	\$301,683	\$296,493	\$598,176

Program 600 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$500,000	\$0	\$500,000
887 Public Facility Construction Loan Revolving Account			
887-1 State	\$3,000	\$7,000	\$10,000

Program 6A0 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
FTE			
887-1 State	2.6	2.6	2.6
001 General Fund			
001-1 State	\$744,697	\$1,241,113	\$1,985,810
887 Public Facility Construction Loan Revolving Account			
887-1 State	\$310,040	\$286,337	\$596,377

Statewide Result Area: Prosperous Economy

Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Expected Results

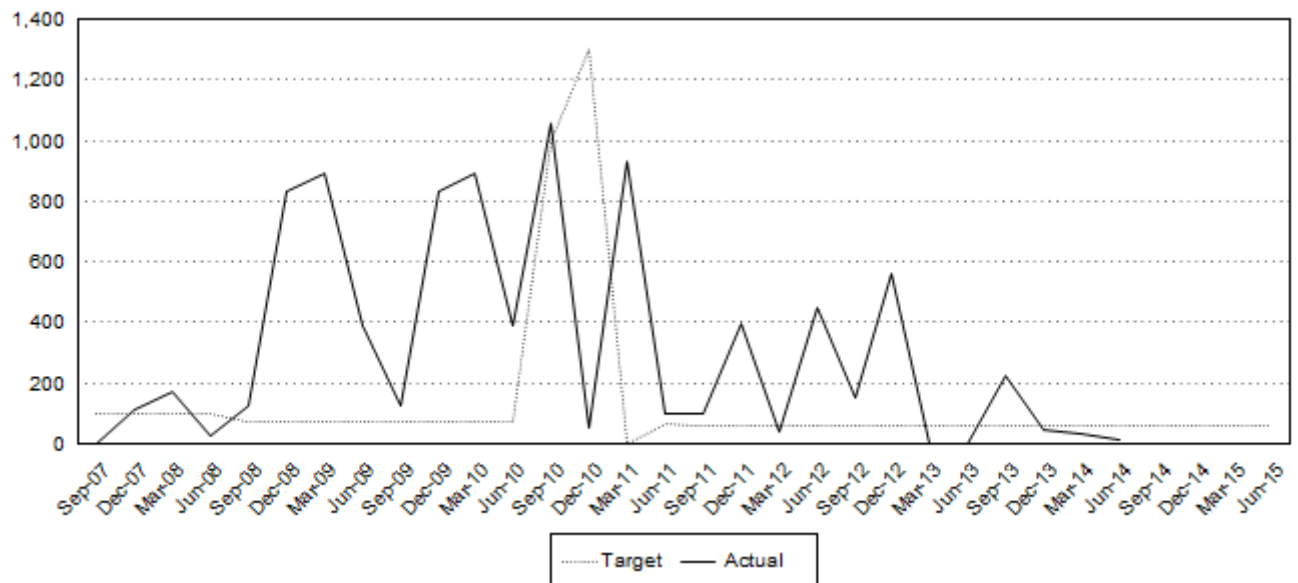
Local governments, including but not limited to counties, cities, special purpose districts including port districts are able to build infrastructure that promotes private investments and creates high-wage jobs.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001133 Estimated number of jobs created and retained as a result of infrastructure investments through CERB.			
Biennium	Period	Actual	Target
2013-15	Q8		62
	Q7		62
	Q6		62
	Q5		62
	Q4	14	62
	Q3	35	62
	Q2	43	62
	Q1	226	62
2011-13	Q8	0	62
	Q7	0	62
	Q6	562	62
	Q5	150	62
	Q4	452	62
	Q3	38	62
	Q2	395	62
	Q1	100	62
Performance Measure Status: Approved			

Number

001133 - CERB - jobs created and retained



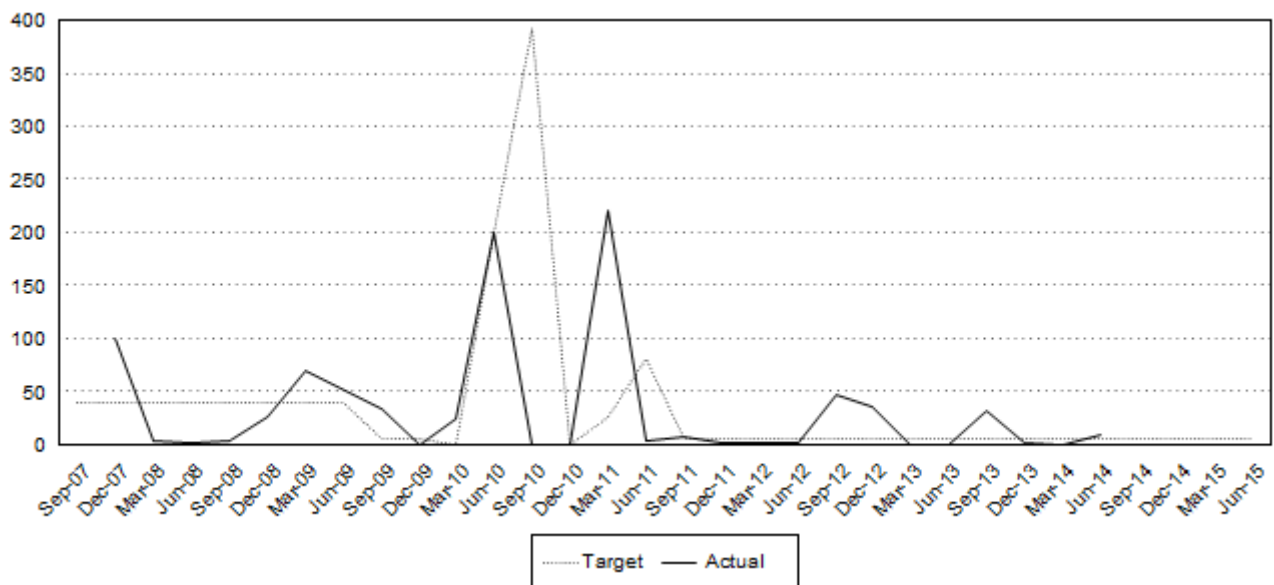
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001134 Estimated amount of private capital investment leveraged by CERB funding. Our goal is to achieve \$10 in private investment for every \$1 in CERB funding. However, this has been a challenge, likely due to the economy and scarcity of private capital.

Biennium	Period	Actual	Target
2013-15	Q8		\$6.25
	Q7		\$6.25
	Q6		\$6.25
	Q5		\$6.25
	Q4	\$10	\$6.25
	Q3	\$0	\$6.25
	Q2	\$0.85	\$6.25
	Q1	\$32.5	\$6.25
2011-13	Q8	\$0	\$6.25
	Q7	\$0	\$6.25
	Q6	\$36.5	\$6.25
	Q5	\$46.5	\$6.25
	Q4	\$1.48	\$6.25
	Q3	\$1.8	\$6.25
	Q2	\$1.62	\$6.25
	Q1	\$8	\$6.25
Performance Measure Status: Approved			

Dollars

001134 - CERB - Private capital investment leveraged



The Energy Office (EO) provides energy policy support, analysis, and information for the Governor, Legislature, Commerce, and other energy decision makers (Chapters 43.21F and 19.29A RCW). The Energy Office analyzes key energy issues including natural gas, alternative fuels, energy efficiency, renewable energy development, greenhouse gas emissions, and energy supply and price. The Energy Office also provides technical and policy support to Washington members of the NW Power and Conservation Council, other state agencies, and state congressional officials on federal and regional energy policies and legislation. Working with an advisory committee, stakeholders, and the public, EO develops and implements the State Energy Strategy. It also produces energy use, electricity, and other reports, and represents the state's policy interests in regional and national organizations. The Energy Office ensures statewide energy security and preparedness by protecting the state's energy infrastructure (especially electricity, petroleum, and natural gas). During energy supply or other energy emergencies, it provides assistance to the state emergency operations center, Governor's office, energy companies, utilities, local governments, and others. As needed, it implements emergency actions set forth in RCW 43.21G. The Energy Office also administers grants from the U.S. Department of Energy and others.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(0.3)	(0.3)	(0.3)
195 Energy Account			
195-6 Non-Appropriated	\$(107,000)	\$0	\$(107,000)
001 General Fund			
001-1 State	\$(49,528)	\$(49,528)	\$(99,056)

Program 500 - Energy and Innovation

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-2 Federal	(3.6)	(1.8)	(2.7)
001 General Fund			
001-1 State	\$1,459	\$9,408	\$10,867
001-2 Federal	\$(1,496,234)	\$(862,764)	\$(2,358,998)
001-7 Private/Local	\$820	\$(48)	\$772
001 Account Total	(\$1,493,955)	(\$853,404)	(\$2,347,359)

Program 5A0 - Energy and Innovation

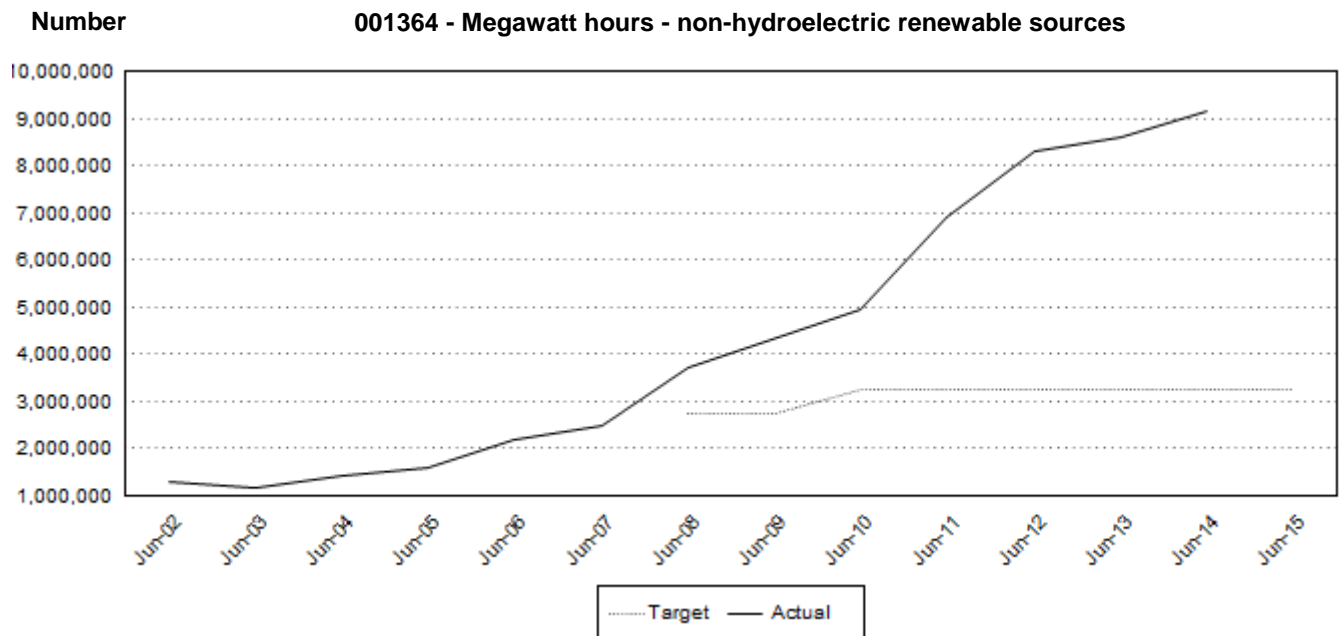
Account	FY 2016	FY 2017	Biennial Total
FTE			
084-1 State	0.1	0.0	0.1
195-6 Non-Appropriated	0.7	0.0	0.4
001-1 State	3.7	3.4	3.6
001-2 Federal	4.7	5.6	5.2
001-7 Private/Local	0.2	0.1	0.2
FTE Total	9.4	9.1	9.3
084 Building Code Council Account			
084-1 State	\$9,996	\$0	\$9,996
195 Energy Account			
195-6 Non-Appropriated	\$107,000	\$0	\$107,000
001 General Fund			
001-1 State	\$355,209	\$394,885	\$750,094
001-2 Federal	\$3,566,666	\$2,359,317	\$5,925,983
001-7 Private/Local	\$94,350	\$17,253	\$111,603
001 Account Total	\$4,016,225	\$2,771,455	\$6,787,680

Statewide Result Area: Prosperous Economy**Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments****Expected Results**

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

The Governor, Legislature, Commerce, and other energy decision makers have the analytical information to make energy related decisions. The state is prepared to address energy emergencies.

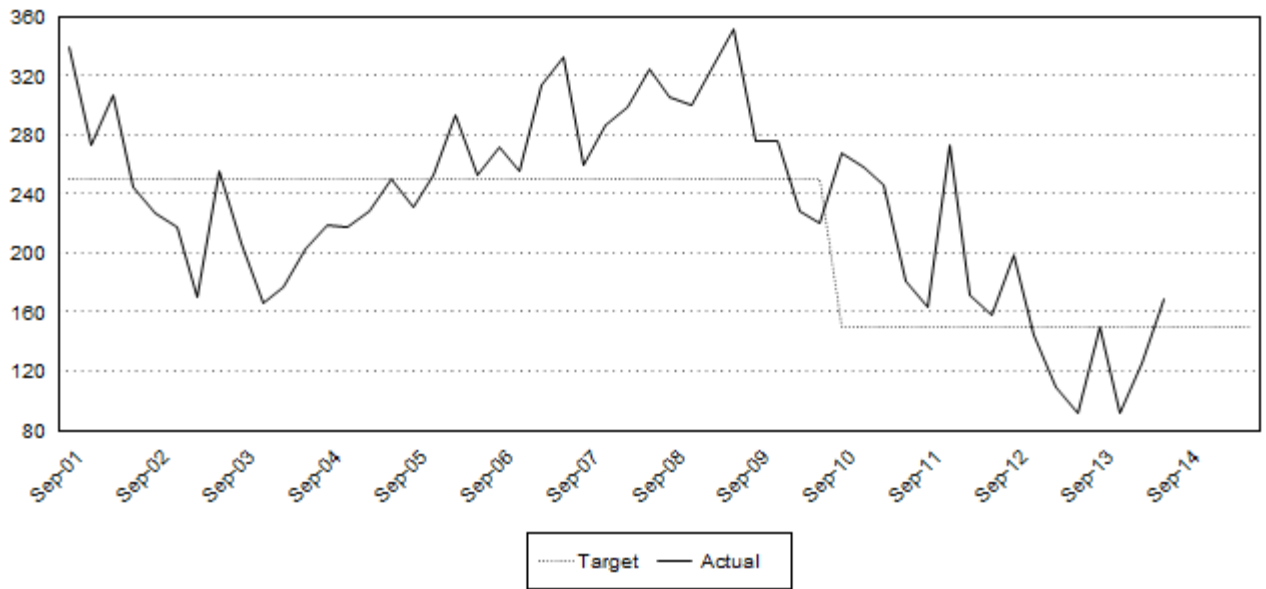
001364 Increase the amount of the state's electricity generated by non-hydroelectric renewable energy sources (total production in megawatt-hours of energy).			
Biennium	Period	Actual	Target
2013-15	A3		3,253,263
	A2	9,160,749	3,253,263
2011-13	A3	8,619,687	3,253,263
	A2	8,311,550	3,253,263
Performance Measure Status: Approved			



Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001366 Number of reference and research services provided by the WSU Energy Library.			
Biennium	Period	Actual	Target
2013-15	Q8		150
	Q7		150
	Q6		150
	Q5		150
	Q4	169	150
	Q3	126	150
	Q2	92	150
	Q1	150	150
2011-13	Q8	92	150
	Q7	109	150
	Q6	144	150
	Q5	199	150
	Q4	158	150
	Q3	171	150
	Q2	273	150
	Q1	163	150
Performance Measure Status: Approved			

Number 001366 - Reference and research services provided by the WSU Energy Library



A050 Broadband Capacity Building

Broadband capacity building supports Washington State's transition to a digitally-based economy. The program does this by collecting data and initiating activities that identify opportunities and issues in the broadband arena; monitoring, tracking and encouraging statewide broadband deployment; and supporting the creation of programs that effectively promote access and adoption of broadband services around the state. The program delivers services through a mix of contracts and direct engagement. Per statute, the program contracts with a private company (Sanborn) to provide data collection and mapping services. Reporting (annually to the legislature) and community outreach services are provided by program office staff. In FY13 the program staff will begin sub-grants or procurements to support 2 new activities: local/regional technology planning and an applications contest.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
15T Broadband Mapping Account			
15T-6 Non-Appropriated	\$(5,000)	\$0	\$(5,000)
15T-N Nonappropriated Federal Stimulus	\$(2,450,000)	\$(513,000)	\$(2,963,000)
15T Account Total	(\$2,455,000)	(\$513,000)	(\$2,968,000)
15C Washington Community Technology Opportunity Account			
15C-7 Private/Local	\$(10,000)	\$0	\$(10,000)

Program 600 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
15T Broadband Mapping Account			
15T-6 Non-Appropriated	\$(4,000)	\$4,000	\$0
15T-N Nonappropriated Federal Stimulus	\$(1,000,000)	\$1,000,000	\$0
15T Account Total	(\$1,004,000)	\$1,004,000	\$0

Program 6A0 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
FTE			
15T-6 Non-Appropriated	4.0	1.0	2.5
15T Broadband Mapping Account			
15T-6 Non-Appropriated	\$7,000	\$(2,000)	\$5,000
15T-N Nonappropriated Federal Stimulus	\$2,514,325	\$277,825	\$2,792,150
15T Account Total	\$2,521,325	\$275,825	\$2,797,150
15C Washington Community Technology Opportunity Account			
15C-7 Private/Local	\$10,000	\$0	\$10,000

Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide data, information, and analysis to support decision-making

Expected Results

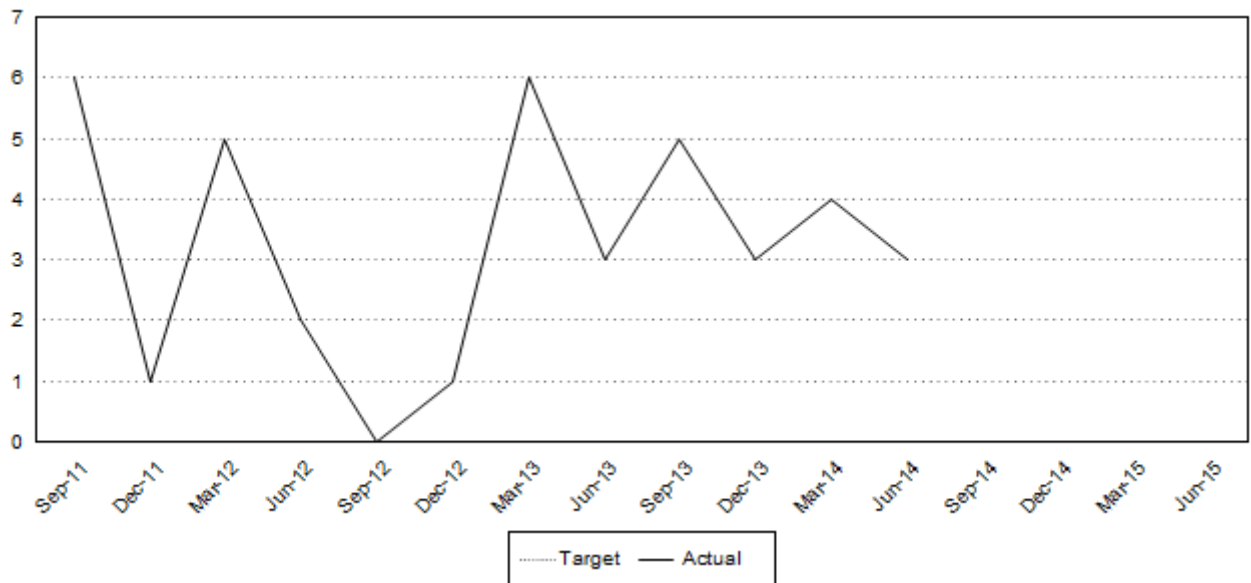
Broadband is available to individuals, businesses and organizations in unserved and underserved areas of the state. The broadband network is maximized as an economic development and job creation tool and provides better health, education and public safety outcomes for residents of Washington.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001991 Number of months since the last broadband map update. (Requirement is at least every 7 months)			
Biennium	Period	Actual	Target
2013-15	Q8		7
	Q7		7
	Q6		7
	Q5		7
	Q4	3	7
	Q3	4	7
	Q2	3	7
	Q1	5	7
2011-13	Q8	3	7
	Q7	6	7
	Q6	1	7
	Q5	0	7
	Q4	2	7
	Q3	5	7
	Q2	1	7
	Q1	6	7
Performance Measure Status: Approved			

Number

001991 - Broadband map update < 7 months

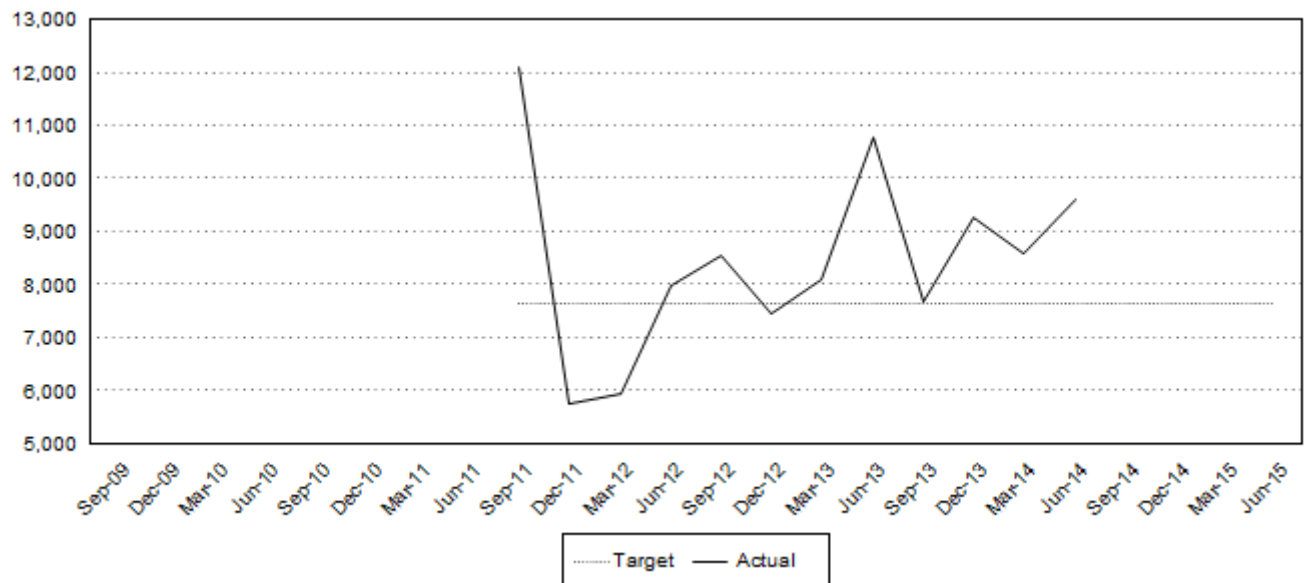


Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001990 Number of web hits to the Broadband website each quarter.			
Biennium	Period	Actual	Target
2013-15	Q8		7,640
	Q7		7,640
	Q6		7,640
	Q5		7,640
	Q4	9,594	7,640
	Q3	8,579	7,640
	Q2	9,276	7,640
	Q1	7,677	7,640
2011-13	Q8	10,773	7,640
	Q7	8,083	7,640
	Q6	7,437	7,640
	Q5	8,529	7,640
	Q4	7,997	7,640
	Q3	5,938	7,640
	Q2	5,743	7,640
	Q1	12,091	7,640
Performance Measure Status: Approved			

Number

001990 - Broadband web hits



A064 Lead-Based Paint Hazard Mitigation

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

The Lead-Based Paint Program provides services to ensure work performed in homes and buildings with young children will be done in a safe and healthy manner. The program is responsible for processing certification and accreditation applications, tracking licensees, reviewing training and program effectiveness, providing technical assistance, investigating potential violators, enforcing rules, conducting outreach, maintaining the lead-safe housing registry for low-income housing, and reporting to federal, state, and interested parties.

Account	FY 2016	FY 2017	Biennial Total
06K Lead Paint Account			
06K-1 State	\$(5,000)	\$33,000	\$28,000

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
06K Lead Paint Account			
06K-1 State	\$(557)	\$43	\$(514)

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-2 Federal	4.0	2.7	3.4
001 General Fund			
001-2 Federal	\$2,336,157	\$1,443,199	\$3,779,356
06K Lead Paint Account			
06K-1 State	\$71,178	\$48,898	\$120,076

Statewide Result Area: Healthy and Safe Communities

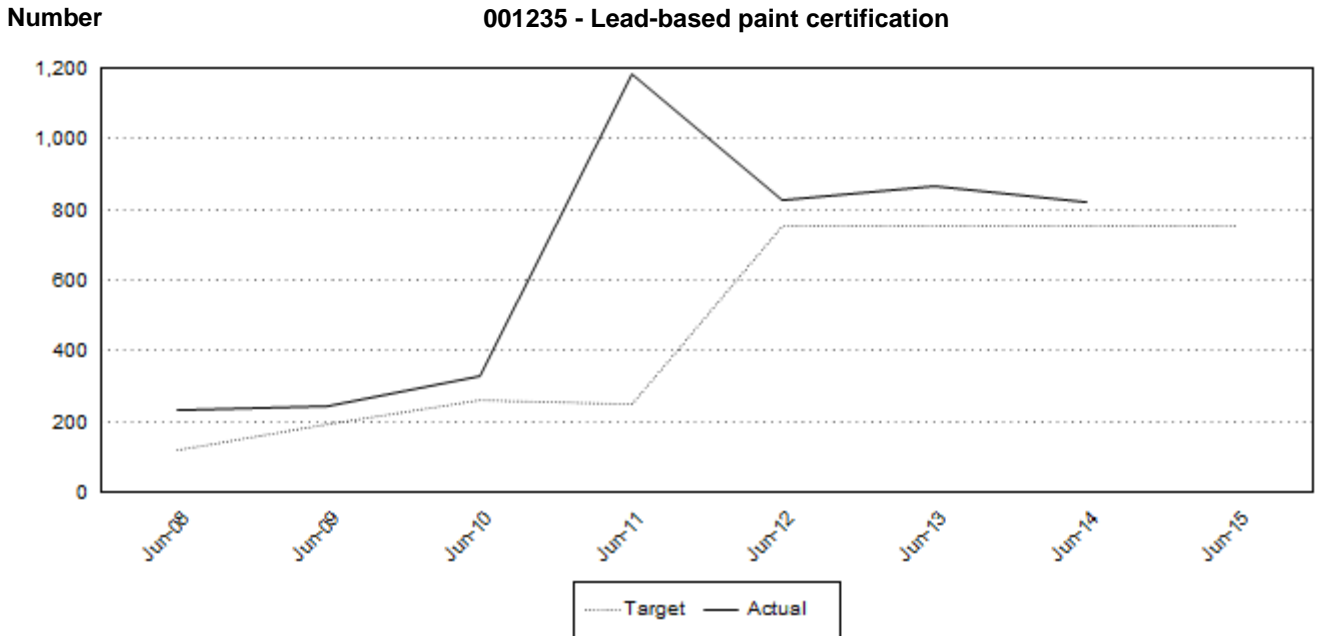
Statewide Strategy: Identify and mitigate health risk factors

Expected Results

Washington State's buildings and homes that occupy young children are free of lead-based paint.

001235 Number of firms and individuals certified in lead-based paint inspection and remediation.			
Biennium	Period	Actual	Target
2013-15	A3		750
	A2	819	750
2011-13	A3	864	750
	A2	827	750
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity



A065 Improve and Preserve the Affordability of Housing

These programs improve and preserve affordability of housing through energy conservation investments (such as insulating attics, walls, and floors; air sealing the home diagnostically; modifying or replacing inefficient furnaces), conservation-related health and safety actions (including indoor air quality, mold and lead paint hazard remediation), and other cost-effective necessary conservation-related repairs and retrofits (such as roof repair or replacement, plumbing and electrical fixes, ramp replacement). Program resources include U. S. Department of Energy, U. S. Department of Health and Human Services Low Income Housing Energy Assistance Program, Bonneville Power Administration, and state capital funds. Private and other non-state resources are leveraged through utility companies, rental housing owners, federal and state resources, and private grants. Commerce provides technical assistance to local, public, and private nonprofit agencies that deliver these services and coordinates program and technical training to maintain a qualified workforce.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
150 Low-Income Weatherization and Structural Rehab. Assistance Account			
150-1 State	\$511,000	\$(240,000)	\$271,000

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
150 Low-Income Weatherization and Structural Rehab. Assistance Account			
150-1 State	\$300,000	\$(300,000)	\$0

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-2 Federal	11.4	18.0	14.7
150-1 State	4.7	6.7	5.7
FTE Total	16.1	24.7	20.4
001 General Fund			
001-2 Federal	\$23,789,659	\$17,998,404	\$41,788,063
150 Low-Income Weatherization and Structural Rehab. Assistance Account			
150-1 State	\$595,070	\$1,183,125	\$1,778,195

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Provide cash, food, and shelter assistance

Expected Results

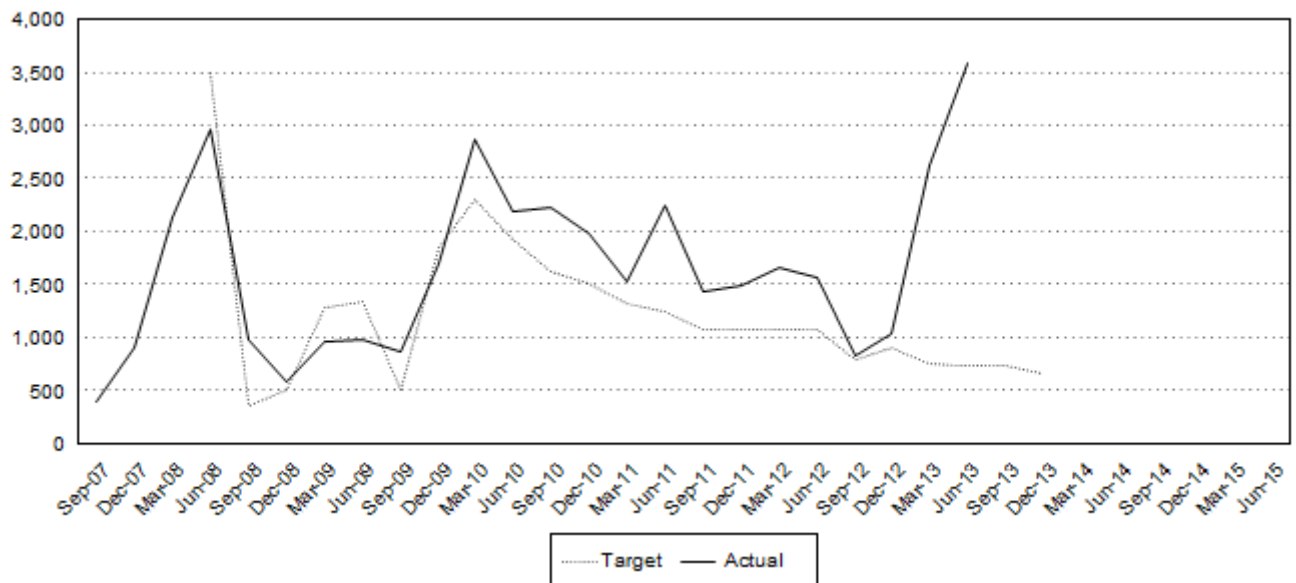
A qualified workforce improves and preserves low-income housing to ensure its affordability for low-income families.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001237 Number of units preserved through weatherization and rehabilitation			
Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		663
	Q1		730
2011-13	Q8	3,591	730
	Q7	2,618	754
	Q6	1,041	898
	Q5	831	793
	Q4	1,568	1,080
	Q3	1,669	1,079
	Q2	1,487	1,080
	Q1	1,439	1,079
Performance Measure Status: Approved			

Number

001237 - Units preserved (weatherization and rehab.)



A068 Mobile Home Relocation Assistance

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

The Mobile Home Relocation Assistance Program provides the only financial assistance available to low-income homeowners forced to move their homes as a result of mobile home park closures. Reimbursement of actual, documented eligible expenses, up to the published maximums, is paid directly to qualified homeowners.

Account	FY 2016	FY 2017	Biennial Total
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$250,000	\$(289,000)	\$(39,000)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$2,000	\$4,000	\$6,000

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
205-6 Non-Appropriated	1.1	1.1	1.1
205 Mobile Home Park Relocation Account			
205-6 Non-Appropriated	\$385,844	\$390,459	\$776,303

Statewide Result Area: Prosperous Economy

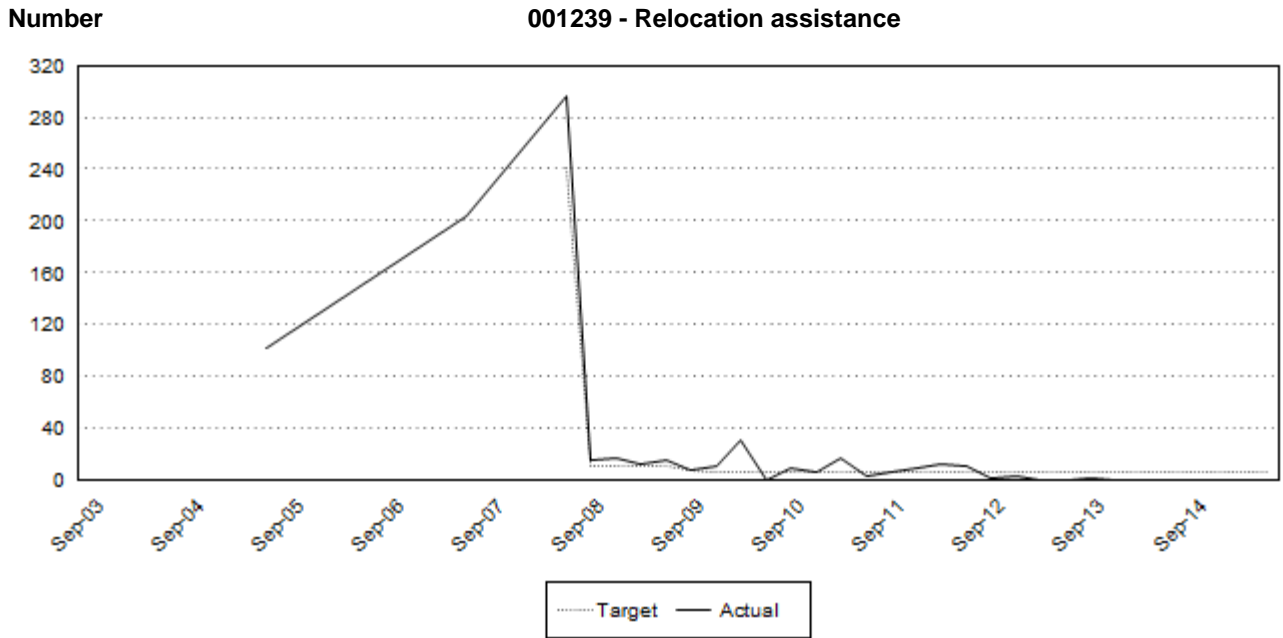
Statewide Strategy: Help develop affordable housing

Expected Results

Mobile home owners that are forced to move their homes due to mobile home park closures receive financial assistance.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001239 Number of homeowners receiving relocation assistance.			
Biennium	Period	Actual	Target
2013-15	Q8		6
	Q7		6
	Q6		6
	Q5		6
	Q4	0	6
	Q3	0	6
	Q2	0	6
	Q1	1	6
2011-13	Q8	0	6
	Q7	0	6
	Q6	3	6
	Q5	1	6
	Q4	10	6
	Q3	11	6
	Q2	8	6
	Q1	6	6
Performance Measure Status: Approved			



A092 Bond Cap Allocation Program for Tax Exempt Financing Authorization

The Bond Cap Allocation Program provides authorization for tax-exempt financing through private activity bond sales for environmental protection, low-to middle-income housing, student loans, industrial development, job creation, and infrastructure facilities. The bond cap is the maximum level of tax-exempt Private Activity Bonds that can be issued in the state in a given year. Under federal tax law, the 2011 cap for Washington State was equal to \$90 per capita (based on resident population) to create a maximum amount of \$638,831,300. This ceiling is adjusted annually in response to changes in the state's population and the IRS' cost-of-living index. The Bond Users Clearinghouse program is mandated by RCW 39.44.210 to report on the municipal debt issued by jurisdictions throughout the state. The program produces the "Public Debt Update" twice a year.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Program 200 - External Relations

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-7 Private/Local	1.0	1.0	1.0
001 General Fund			
001-7 Private/Local	\$121,200	\$127,270	\$248,470

Statewide Result Area: Prosperous Economy

Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Expected Results

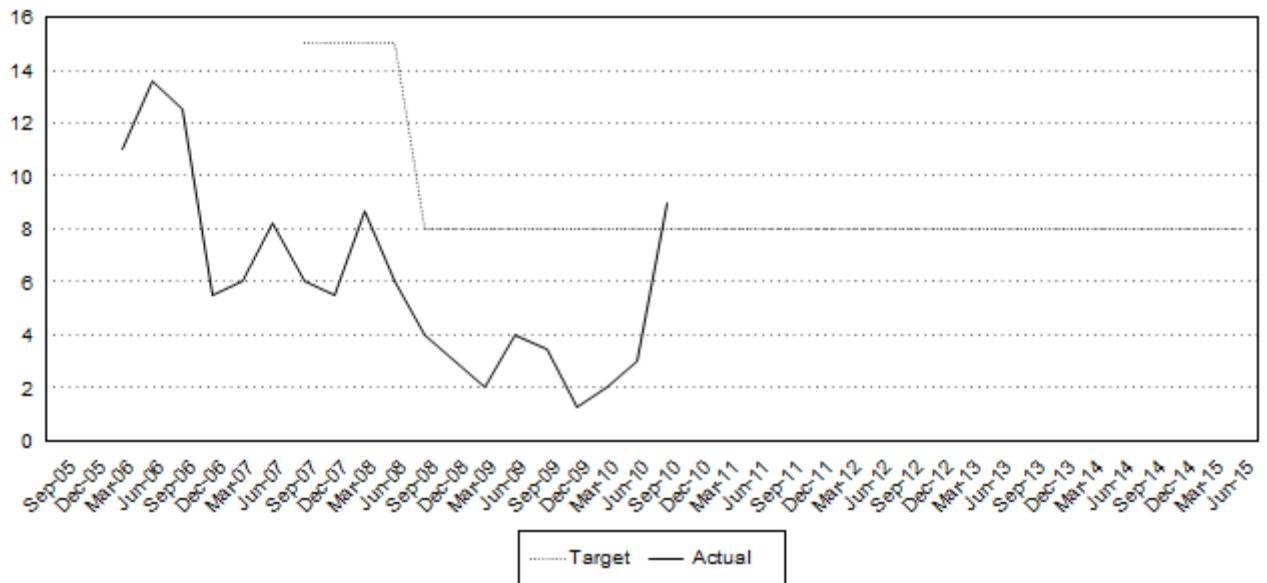
Economic development and affordable housing projects may be financed with lower-cost tax-exempt private activity bonds.

001326 Average number of days to process applications.			
Biennium	Period	Actual	Target
2013-15	Q8		8
	Q7		8
	Q6		8
	Q5		8
	Q4		8
	Q3		8
	Q2		8
	Q1		8
2011-13	Q8		8
	Q7		8
	Q6		8
	Q5		8
	Q4		8
	Q3		8
	Q2		8
	Q1		8
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001326 - Process applications



A096 Community Development Block Grant (CDBG)

The CDBG program invests federal resources in communities through grants for planning, construction, facility upgrades and services in the areas of housing, general infrastructure, community facilities, and economic development that benefit low- and moderate- income households. The state CDBG program serves counties with populations under 200,000 and cities with populations under 50,000. The rest of the state receives direct funding from the Department of Housing and Urban Development

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Program 600 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
05R Drinking Water Assistance Administrative Account			
05R-1 State	\$1,000	\$3,000	\$4,000
001 General Fund			
001-1 State	\$2,153	\$8,362	\$10,515
001-2 Federal	\$(6,098,725)	\$6,298,231	\$199,506
001 Account Total	\$(6,096,572)	\$6,306,593	\$210,021

Program 6A0 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	2.6	2.9	2.8
001-2 Federal	6.1	6.1	6.1
001 General Fund			
001-1 State	\$249,706	\$262,054	\$511,760
001-2 Federal	\$36,298,451	\$13,115,759	\$49,414,210
001 Account Total	\$36,548,157	\$13,377,813	\$49,925,970

Statewide Result Area: Prosperous Economy

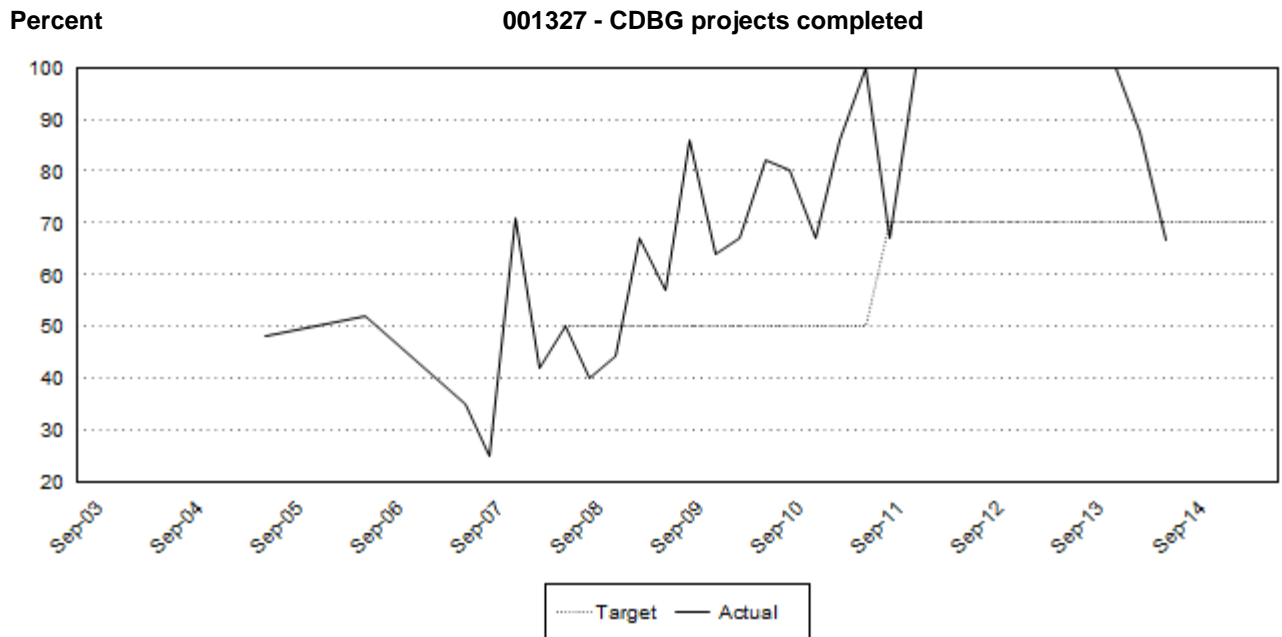
Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Expected Results

Low and moderate-income families located in counties with populations under 200,000 and cities with populations under 50,000 receive financial assistance necessary to develop and maintain housing, community-services, and local infrastructure.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001327 Percent of projects completed on time, as per contracts (within scope of work).			
Biennium	Period	Actual	Target
2013-15	Q8		70%
	Q7		70%
	Q6		70%
	Q5		70%
	Q4	66.6%	70%
	Q3	87.5%	70%
	Q2	100%	70%
	Q1	100%	70%
2011-13	Q8	100%	70%
	Q7	100%	70%
	Q6	100%	70%
	Q5	100%	70%
	Q4		70%
	Q3	100%	70%
	Q2	100%	70%
	Q1	67%	70%
Performance Measure Status: Approved			



A100 Drinking Water System Grants and Loans

The Public Works Board, in collaboration with the Department of Health, invests in public and private water systems to meet standards established by the Federal Safe Drinking Water Act. The Drinking Water State Revolving Fund program provides low-interest loans and grants for capital improvements to water systems. This activity also includes technical assistance to water systems that do not have the managerial or financial capacity to adequately plan for or maintain the system. This assistance is provided through the Public Works Technical Assistance team and the Small Communities Initiative Program (SCI). SCI provides intense technical assistance to water and waste water systems that are under state order to upgrade their systems to comply with Department of Health or Ecology standards. Chapter 79.119A RCW pertains to the state drinking water program.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Program 600 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
05R Drinking Water Assistance Administrative Account			
05R-1 State	\$(200,000)	\$200,000	\$0

Program 6A0 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
FTE			
05R-1 State	1.4	0.0	0.7
001-2 Federal	0.4	0.5	0.5
FTE Total	1.8	0.5	1.2
05R Drinking Water Assistance Administrative Account			
05R-1 State	\$374,229	\$25,000	\$399,229
001 General Fund			
001-2 Federal	\$53,835	\$55,471	\$109,306

Statewide Result Area: Healthy and Safe Communities

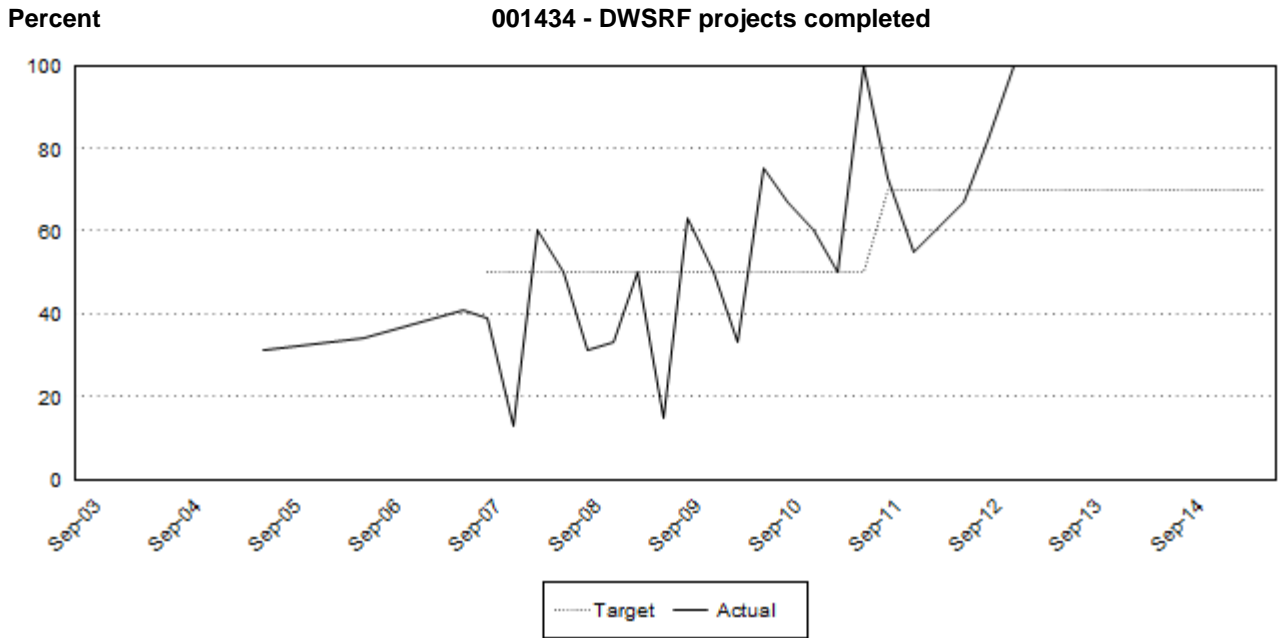
Statewide Strategy: Mitigate environmental hazards

Expected Results

All Washington's citizens have safe and reliable drinking water.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001434 Percent of projects completed on time, as per contract (within scope of work).			
Biennium	Period	Actual	Target
2013-15	Q8		70%
	Q7		70%
	Q6		70%
	Q5		70%
	Q4		70%
	Q3		70%
	Q2		70%
	Q1		70%
2011-13	Q8		70%
	Q7		70%
	Q6	100%	70%
	Q5	82%	70%
	Q4	67%	70%
	Q3		70%
	Q2	55%	70%
	Q1	73%	70%
Performance Measure Status: Approved			



A104 Growth Management

Growth Management Services (GMS) provides technical and financial assistance on growth management issues, as required by RCW 36.70A.190, so that 320 Washington cities and counties can effectively plan for future growth and economic development. It offers grants, data, training, technical publications, direct consultation, and guidance to help local governments plan under the Growth Management Act (GMA) and other planning statutes. GMS assistance helps reduce litigation over GMA compliance issues, avoiding costs to state and local governments. Staff also extensively supports other state priorities that depend on local land use planning, such as economic development strategies, infrastructure funding, affordable housing, the Puget Sound Action Agenda, and energy planning.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	6.7	6.7	6.7
001 General Fund			
001-1 State	\$1,225,000	\$1,225,000	\$2,450,000

Program 600 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(8,344)	\$19,404	\$11,060
001-7 Private/Local	\$4,003	\$8,029	\$12,032
001 Account Total	(\$4,341)	\$27,433	\$23,092

Program 6A0 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	12.7	13.1	12.9
001-7 Private/Local	0.1	0.0	0.1
001 General Fund			
001-1 State	\$2,245,538	\$2,484,530	\$4,730,068
001-7 Private/Local	\$49,896	\$2,500	\$52,396
001 Account Total	\$2,295,434	\$2,487,030	\$4,782,464

Statewide Result Area: Prosperous Economy**Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments****Expected Results**

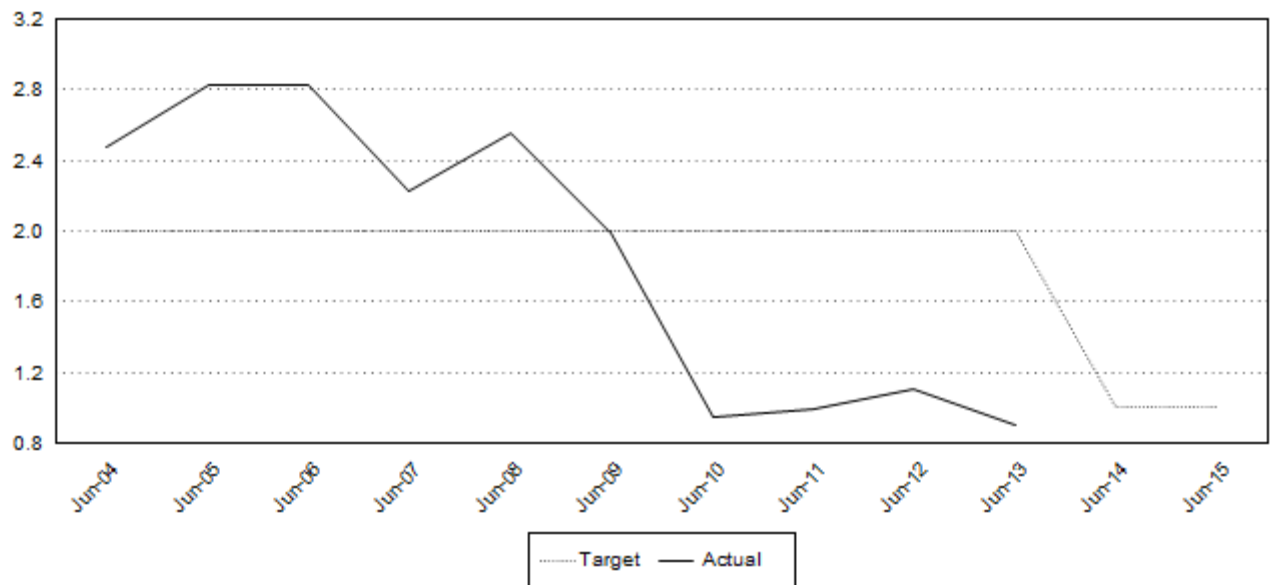
All Washington's cities and counties have the information required to effectively plan for future growth and economic development.

001336 Percent of City/County actions not complying with Growth Management Act.			
Biennium	Period	Actual	Target
2013-15	A3		1%
	A2		1%
2011-13	A3	0.9%	2%
	A2	1.1%	2%
Performance Measure Status: Draft			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Percent

001336 - GMA actions with findings

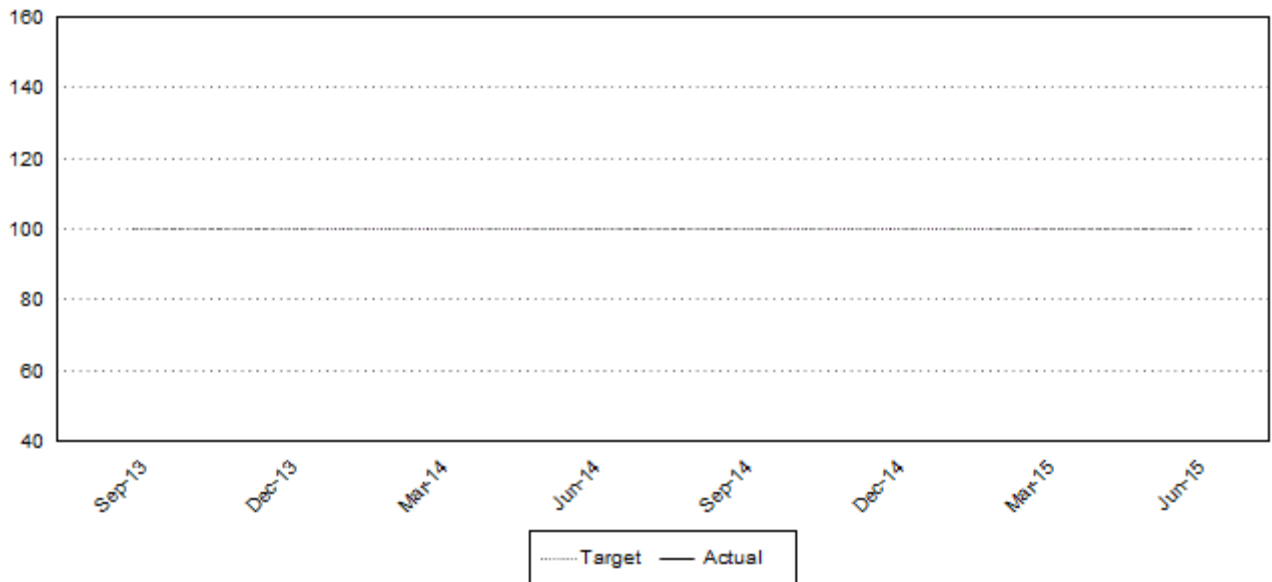


002634 Noncompliance is defined as those jurisdictions that have not met the mandatory requirement, found in RCW 36.70A.130, to update their comprehensive plan and development regulations, including their critical areas ordinance.

Biennium	Period	Actual	Target
2013-15	Q8		100%
	Q7		100%
	Q6		100%
	Q5		100%
	Q4		100%
	Q3		100%
	Q2		100%
	Q1		100%
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Percent 002634 - Percent of City/County actions complying with Growth Management Act before the deadline.

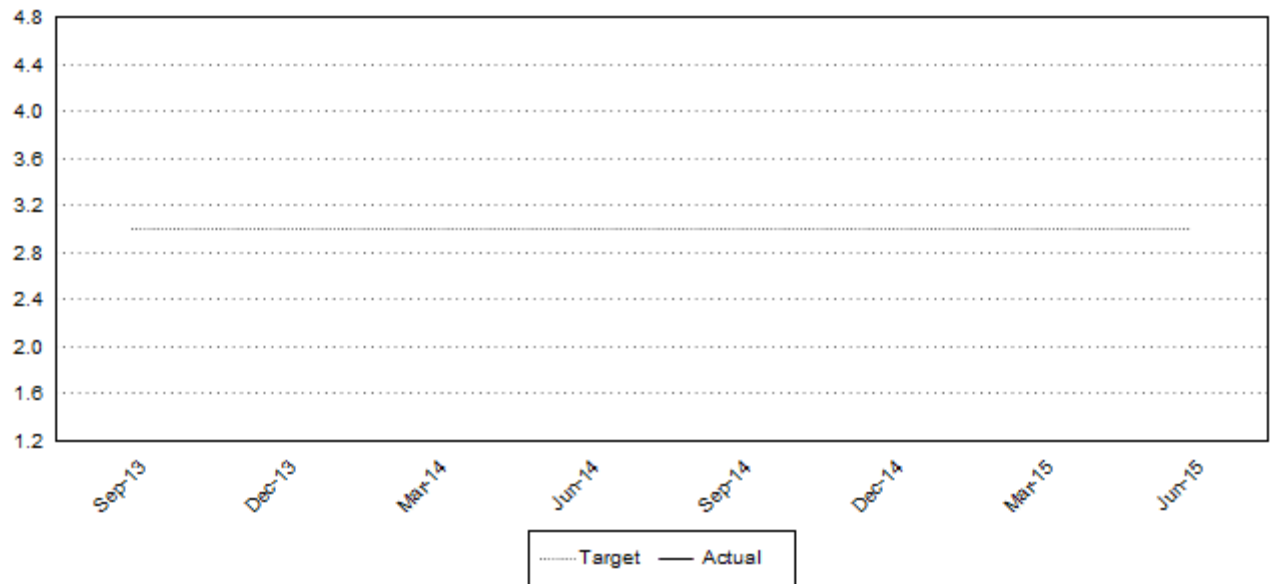


002635 Noncompliance is defined as those jurisdictions that have a portion of their comprehensive plan or development regulations (including their critical areas ordinance) both challenged and found out of compliance (either under remand or invalidity) by the Growth Management Hearings Board. They remain out of compliance until the Board issues a Final Order that the jurisdiction is in compliance with the Growth Management Act (RCW 36.70A.300).

Biennium	Period	Actual	Target
2013-15	Q8		3%
	Q7		3%
	Q6		3%
	Q5		3%
	Q4		3%
	Q3		3%
	Q2		3%
	Q1		3%
Performance Measure Status: Under Review			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Percent 002635 - Percent of City/County actions not complying with Growth Management Act with findings or in appeal.



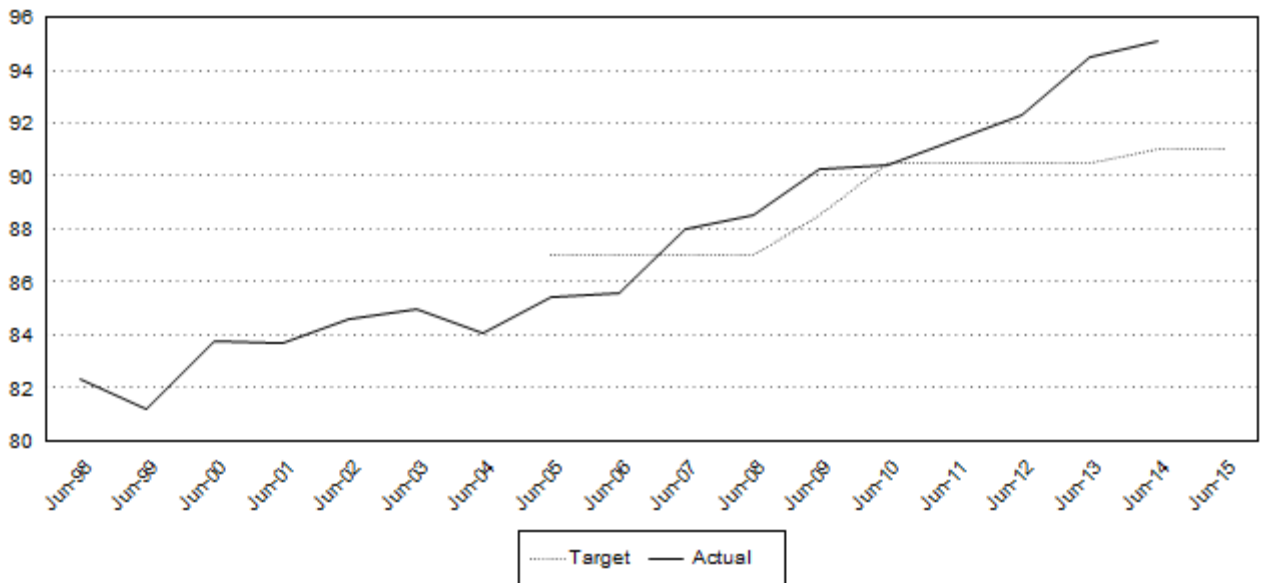
001185 Percentage of development occurring within urban areas of the six most populated counties in Western Washington - Pierce, King, Kitsap, Snohomish, Thurston, Clark.

Biennium	Period	Actual	Target
2013-15	A3		91%
	A2	95.1%	91%
2011-13	A3	94.5%	90.5%
	A2	92.3%	90.5%
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Percent

001185 - Urban Growth Areas



A106 Local Government Fiscal Notes

The Local Government Fiscal Note Program produces objective analysis of the financial impacts of proposed state legislation on counties, cities, and all special purpose districts except for schools and courts. This program produces the largest number of fiscal notes of any state agency, 14 percent of total notes during the last decade. Local government fiscal notes cover a broad range of issues, such as taxes, criminal justice, natural resources, economic development, social services, energy, land use, and government operations. This program has been in operation for 32 years and is mandated by statute (Chapter 42.132 RCW).

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(0.2)	(0.2)	(0.2)
001 General Fund			
001-1 State	\$(25,216)	\$(25,216)	\$(50,432)

Program 200 - External Relations

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	2.7	3.1	2.9
001 General Fund			
001-1 State	\$189,173	\$278,307	\$467,480

Statewide Result Area: Efficient, Effective and Accountable Government

Statewide Strategy: Support democratic processes and government accountability

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

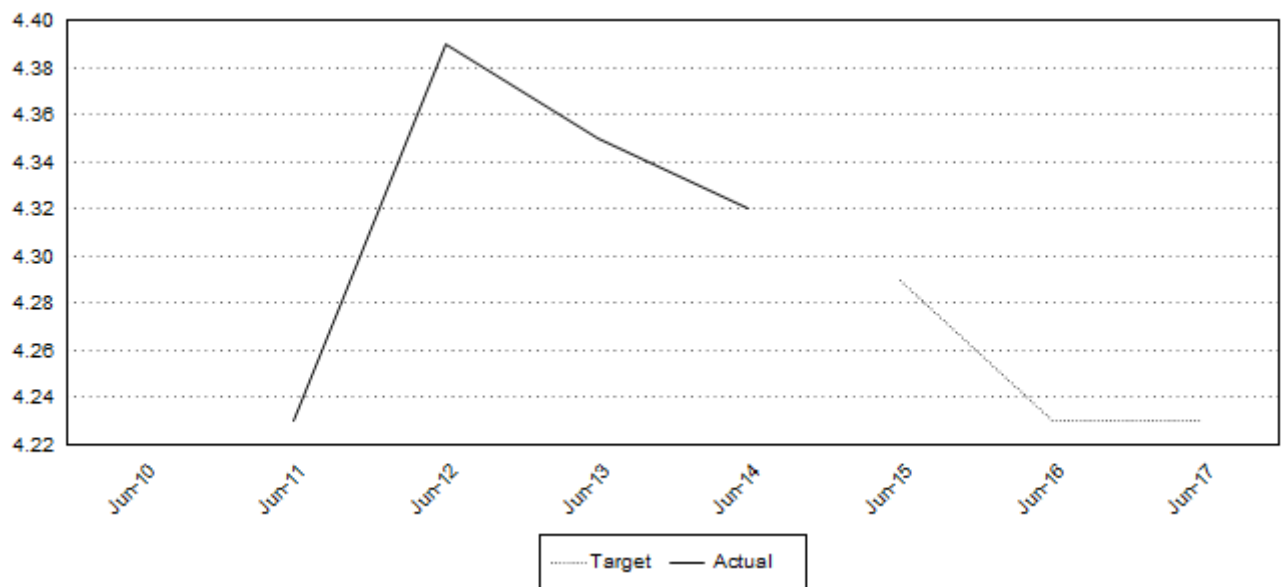
Expected Results

The Legislature receives the appropriate financial information to make timely decisions concerning cities, counties and special districts.

002665 Rating from an annual survey sent to more than 300 customers of local government fiscal notes: local government officials, other state fiscal note producers, OFM reviewers, legislators and their staff. Response rates vary by year. Responses are on a scale of 1-5.

Biennium	Period	Actual	Target
2015-17	A3		4.23
	A2		4.23
2013-15	A3		4.29
	A2	4.32	
2011-13	A3	4.35	
	A2	4.39	
Performance Measure Status: Approved			

Number 002665 - Customer survey average rating of overall satisfaction with local government fiscal notes

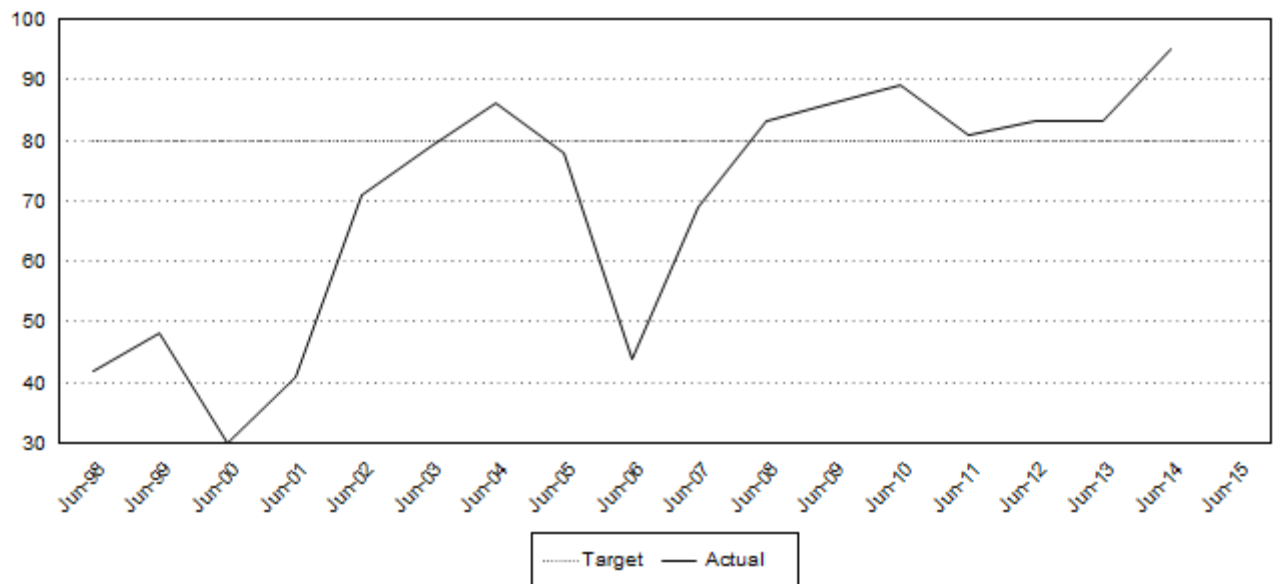


Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001322 Data is based upon the number of local government fiscal notes submitted to OFM within five working days from when OFM assigned them (the statutory deadline) divided by the total number of notes submitted.

Biennium	Period	Actual	Target
2013-15	A3		80%
	A2	95%	80%
2011-13	A3	83.03%	80%
	A2	83%	80%
Performance Measure Status: Draft			

Percent 001322 - Percentage of local government fiscal notes completed within five working days

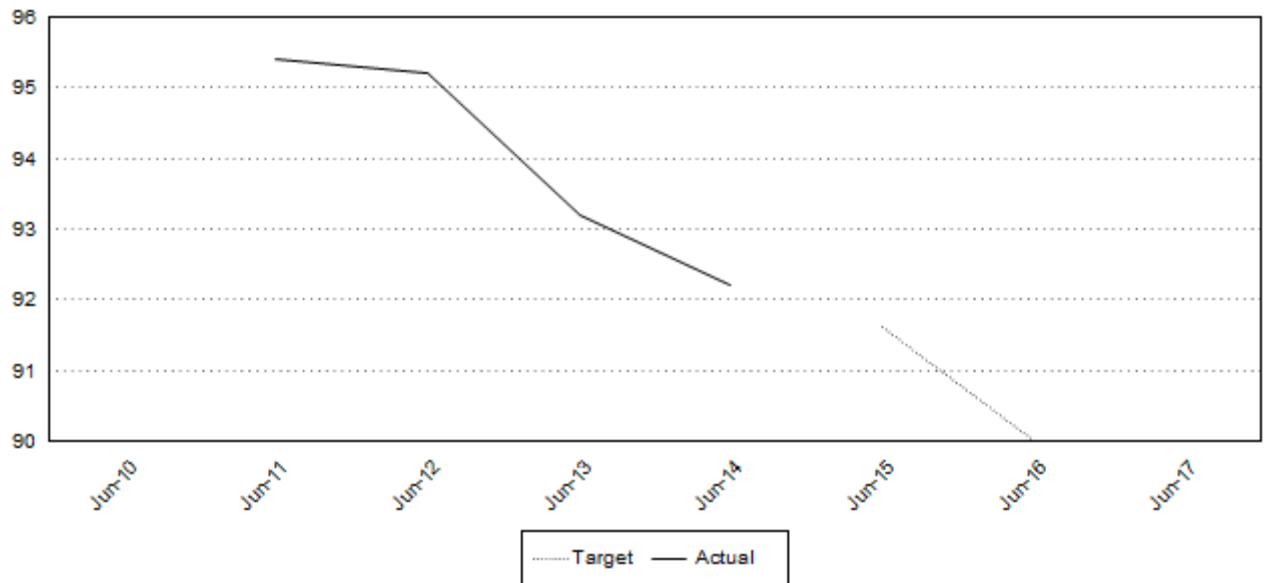


002667 Data is based upon the number of local government fiscal notes where OFM asks for a revision of any kind divided by the total number of notes distributed to the Legislature.

Biennium	Period	Actual	Target
2015-17	A3		90%
	A2		90%
2013-15	A3		91.6%
	A2	92.2%	
2011-13	A3	93.2%	
	A2	95.2%	
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Percent 002667 - Percentage of Local government Fiscal notes submitted that didn't require a revision.



A113 Public Works Infrastructure Grants and Loans

The Public Works Trust Fund provides loans for the repair, replacement, rehabilitation, and expansion of local infrastructure systems to ensure public health and safety, preserve the environment, promote economic sustainability, and ensure proper system performance. In-depth technical assistance on funding acquisition, system management, and financial sustainability are provided by the Public Works Board staff (RCW 43 155.020).

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
058-1 State	3.4	3.4	3.4
058 Public Works Assistance Account			
058-1 State	\$404,055	\$389,628	\$793,683

Program 600 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
058 Public Works Assistance Account			
058-1 State	\$15,000	\$30,000	\$45,000

Program 6A0 - Local Government and Infrastructure

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-7 Private/Local	0.1	0.0	0.1
058-1 State	10.8	11.1	11.0
FTE Total	10.9	11.1	11.0
001 General Fund			
001-7 Private/Local	\$736,503	\$0	\$736,503
058 Public Works Assistance Account			
058-1 State	\$1,140,307	\$1,196,854	\$2,337,161

Statewide Result Area: Prosperous Economy

Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Expected Results

Local governments have the resources needed to repair, replace, rehabilitate, upgrade or expand their infrastructure systems to ensure public health and safety, protect the environment, promote economic development, or to sustain their systems' performance.

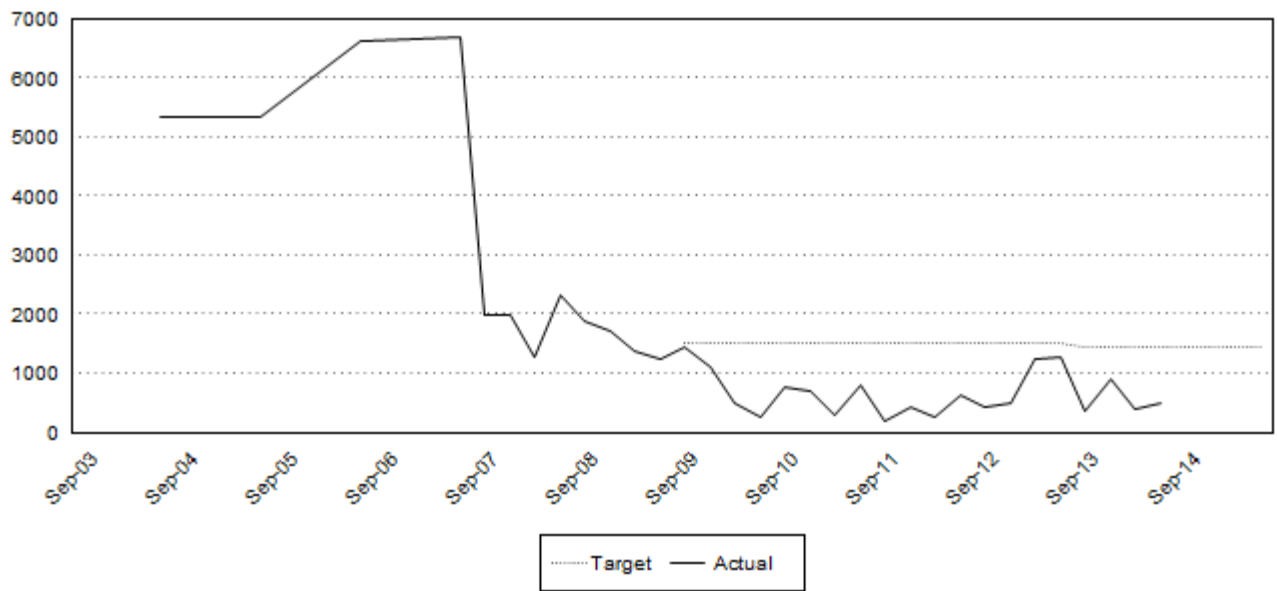
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001436 Number of construction related jobs sustained through Public Works infrastructure investments.			
Biennium	Period	Actual	Target
2013-15	Q8		1,436
	Q7		1,436
	Q6		1,436
	Q5		1,436
	Q4	492.25	1,436
	Q3	390.4	1,436
	Q2	910	1,436
	Q1	355	1,436
2011-13	Q8	1,285	1,500
	Q7	1,227	1,500
	Q6	487	1,500
	Q5	435	1,500
	Q4	642	1,500
	Q3	250	1,500
	Q2	435	1,500
	Q1	171	1,500
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001436 - Public Works construction related jobs

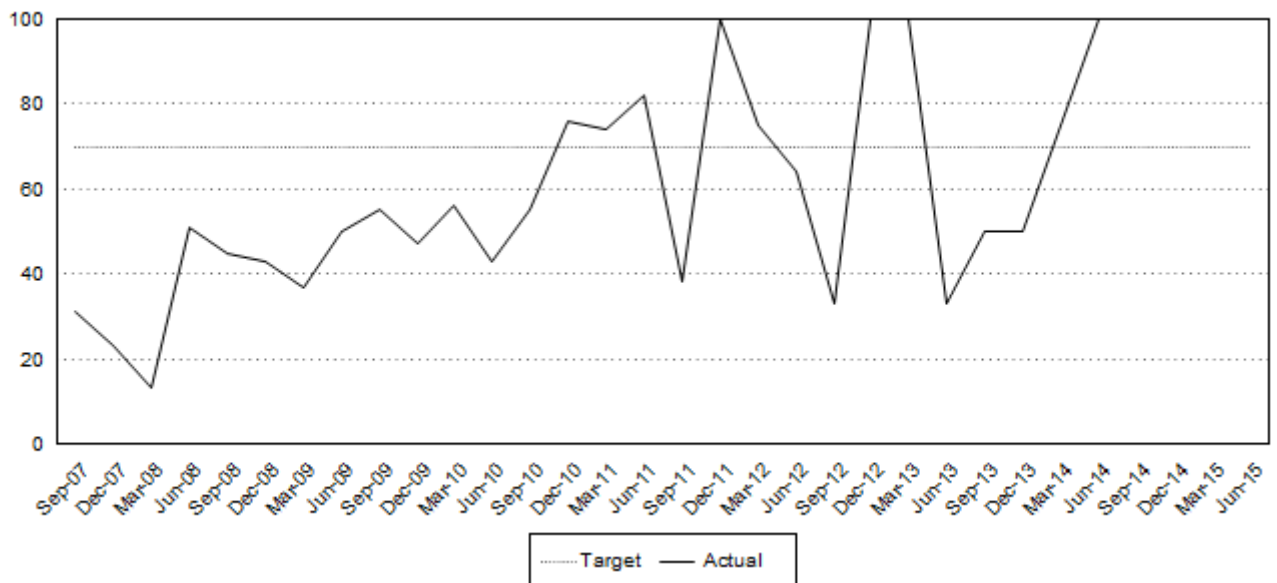


Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001437 Percent of projects completed on time, as per contract (within scope of work).			
Biennium	Period	Actual	Target
2013-15	Q8		70%
	Q7		70%
	Q6		70%
	Q5		70%
	Q4	100%	70%
	Q3		70%
	Q2	50%	70%
	Q1	50%	70%
2011-13	Q8	33%	70%
	Q7	100%	70%
	Q6	100%	70%
	Q5	33%	70%
	Q4	64%	70%
	Q3	75%	70%
	Q2	100%	70%
	Q1	38%	70%
Performance Measure Status: Approved			

Percent

001437 - Public Works projects completed on time



A153 Farm Worker Housing

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

This activity supports the development and preservation of affordable housing for low-income farm workers. Grants and loans are made available to nonprofit housing providers, public housing authorities and local governments using capital and operating resources from the Housing Trust Fund. Activities include capital investments in permanent (year-round) housing, capital and operating investments in seasonally-occupied housing, and emergency assistance for homeless migrant workers. Agricultural employers receive technical assistance to help them develop seasonal housing for migrant workers.

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
532 Washington Housing Trust Account			
532-1 State	\$422,500	\$422,500	\$845,000

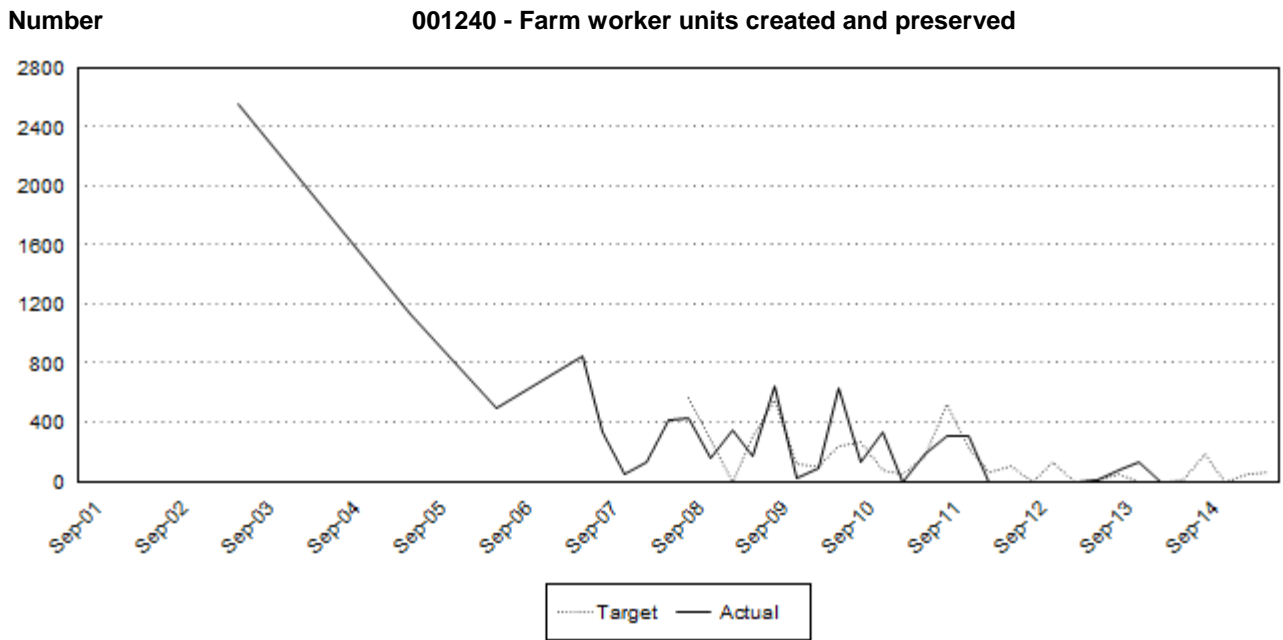
Statewide Result Area: Prosperous Economy

Statewide Strategy: Help develop affordable housing

Expected Results

All farm workers live in safe housing and conditions.

001240 Number of farm worker units created and preserved (includes units and beds).			
Biennium	Period	Actual	Target
2013-15	Q8		68
	Q7		50
	Q6		0
	Q5		178
	Q4	0	11
	Q3	0	0
	Q2	126	0
	Q1	76	50
2011-13	Q8	8	12
	Q7	0	0
	Q6	0	128
	Q5	0	0
	Q4	0	96
	Q3	0	59
	Q2	307	221
	Q1	299	526
Performance Measure Status: Approved			



A157 Homeless Housing and Assistance

This activity reduces homelessness and related social and economic costs, and helps people achieve their maximum level of employment and self-sufficiency. Homeless housing and assistance are provided through a range of services including short-term rent assistance to prevent evictions, emergency shelter, short-term rent assistance to move homeless and special needs people into stable housing, longer term transitional housing (up to two years), and permanent supportive housing. Local nonprofit organizations carry out this activity with funds that Commerce distributes through formula and competitive grants. Program resources include the state's Consolidated Homeless Grant, Housing and Essential Needs Grant, Washington Families Fund, and Independent Youth Housing Program. Federal resources include the Tenant Based Rental Assistance Program, Emergency Solutions Grant and the Continuum of Care Program. Operating assistance for housing projects is available from the state Housing Assistance Program for the Mentally Ill and federal Housing Opportunities for Persons with AIDS.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(0.1)	(0.1)	(0.1)
001 General Fund			
001-1 State	\$3,186,175	\$3,186,175	\$6,372,350
18P Shelter to Housing Project Account			
18P-6 Non-Appropriated	\$(445,000)	\$(265,000)	\$(710,000)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
12C Affordable Housing for All Account			
12C-1 State	\$3,000	\$6,000	\$9,000
001 General Fund			
001-1 State	\$(111,887)	\$(111,887)	\$(223,774)
10B Home Security Fund Account			
10B-1 State	\$(1,986,000)	\$2,002,000	\$16,000

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	4.3	4.4	4.4
001-2 Federal	0.2	0.3	0.3
10B-1 State	17.4	19.6	18.5
FTE Total	21.9	24.3	23.1
12C Affordable Housing for All Account			
12C-1 State	\$3,125,000	\$3,133,559	\$6,258,559
001 General Fund			
001-1 State	\$29,957,529	\$29,946,873	\$59,904,402
001-2 Federal	\$8,357,823	\$3,512,354	\$11,870,177
001 Account Total	\$38,315,352	\$33,459,227	\$71,774,579
10B Home Security Fund Account			
10B-1 State	\$14,250,214	\$10,511,215	\$24,761,429
18P Shelter to Housing Project Account			
18P-6 Non-Appropriated	\$445,000	\$265,000	\$710,000
15A Transitional Housing Operating and Rent Account			
15A-6 Non-Appropriated	\$3,751,000	\$3,749,000	\$7,500,000
532 Washington Housing Trust Account			
532-1 State	\$103,150	\$269,573	\$372,723

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Provide cash, food, and shelter assistance

Expected Results

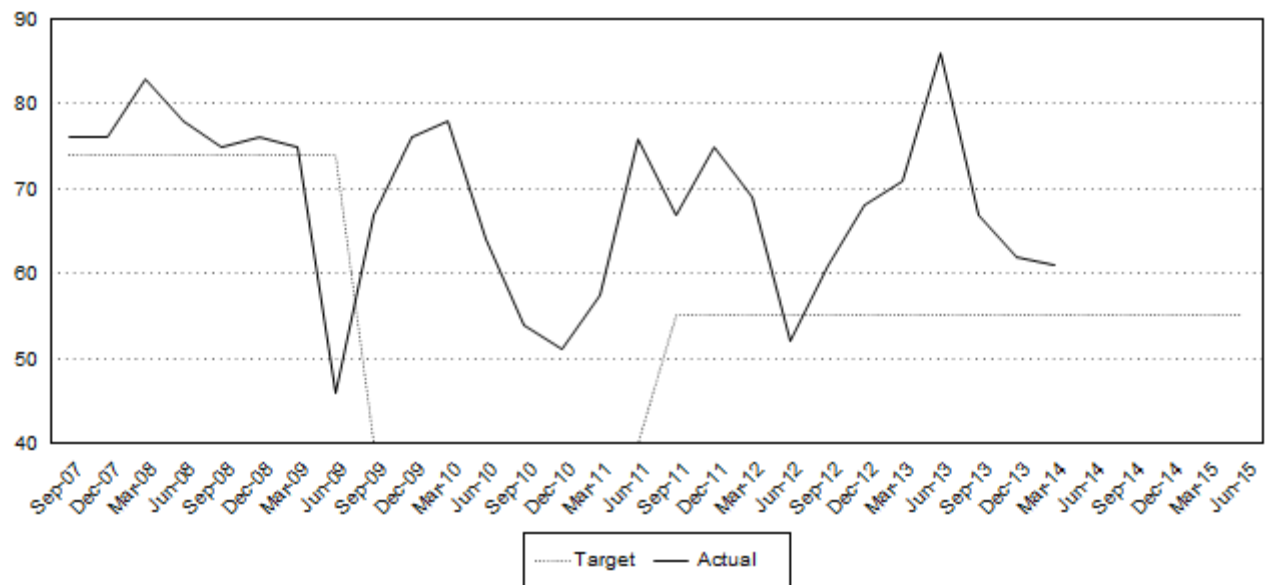
Reduce the number of homeless individuals and provide those individuals the skills and information they need to reach self-sufficiency.

001245 Percent of households exiting to permanent housing.			
Biennium	Period	Actual	Target
2013-15	Q8		55%
	Q7		55%
	Q6		55%
	Q5		55%
	Q4		55%
	Q3	61%	55%
	Q2	62%	55%
	Q1	67%	55%
2011-13	Q8	86%	55%
	Q7	71%	55%
	Q6	68%	55%
	Q5	61%	55%
	Q4	52%	55%
	Q3	69%	55%
	Q2	75%	55%
	Q1	67%	55%
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Percent

001245 - Households exiting to permanent housing

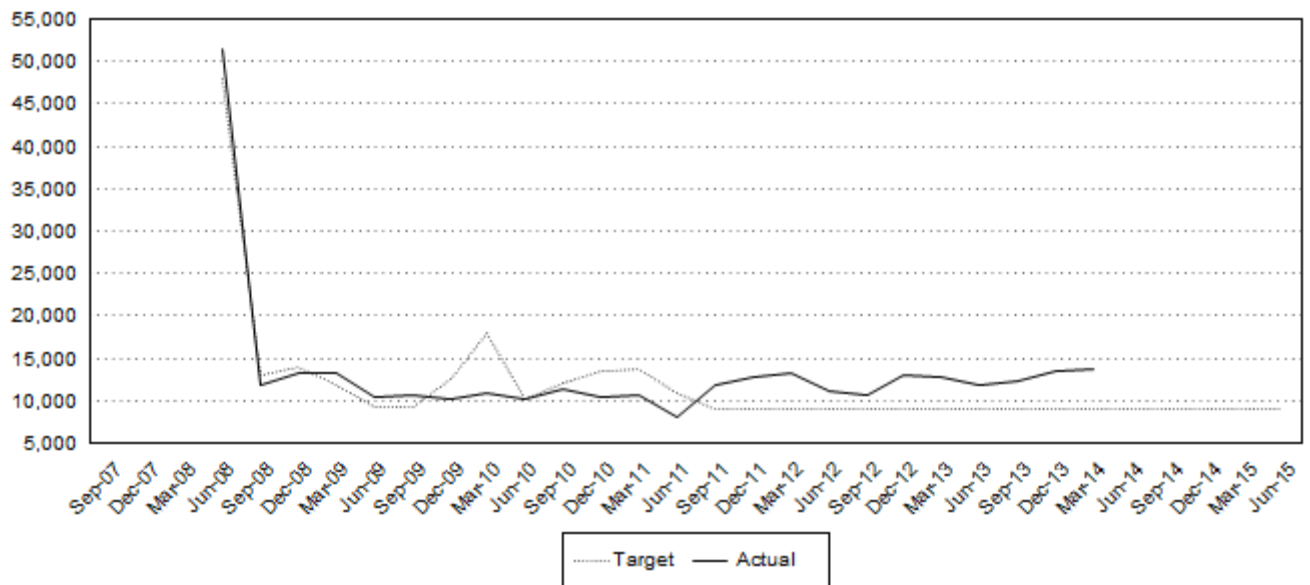


001243 Number of individuals provided shelter.			
Biennium	Period	Actual	Target
2013-15	Q8		9,000
	Q7		9,000
	Q6		9,000
	Q5		9,000
	Q4		9,000
	Q3	13,756	9,000
	Q2	13,503	9,000
	Q1	12,404	9,000
2011-13	Q8	11,944	9,000
	Q7	12,825	9,000
	Q6	12,987	9,000
	Q5	10,630	9,000
	Q4	11,200	9,000
	Q3	13,280	9,000
	Q2	12,707	9,000
	Q1	11,840	9,000
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001243 - Individuals provided shelter



002629 The number of total individuals (including singles and people in families) in the quarter receiving short-term housing assistance (in the form of rent, shelter and/or other services) to ensure their homelessness is rare, brief and non-recurring.

Biennium	Period	Actual	Target
2013-15	Q8		37,500
	Q7		37,500
	Q6		37,500
	Q5		37,500
	Q4	37,700	37,500
	Q3	38,320	37,500
	Q2	37,937	37,500
	Q1	36,580	37,500
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

002629 - Individuals Receiving Housing Assistance



002630 The annual count of people who are homeless is organized by local governments in coordination with the state during third week of every January, and is required under federal and state laws. This is one of several measures of homeless housing efforts.

Biennium	Period	Actual	Target
2013-15	A3		
	A2	18,797	0
2011-13	A3	17,760	0
	A2	20,336	0
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

002630 - Number of homeless people

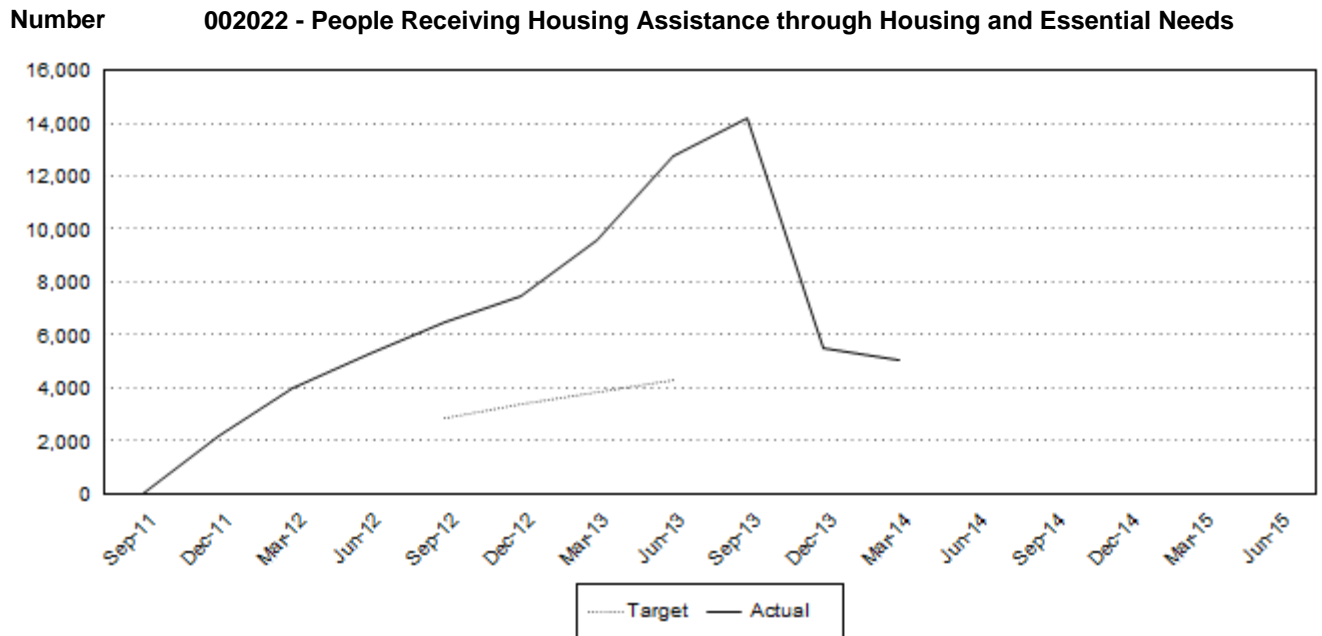


002022 This program provides housing and essential needs in the form of rent assistance and support for transportation and hygiene items. For RPM, we are tracking the number of people receiving housing assistance through this program.

Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	5,062	
	Q2	5,484	
	Q1	14,162	
2011-13	Q8	12,760	4,300
	Q7	9,573	3,850
	Q6	7,479	3,400
	Q5	6,511	2,900
	Q4	5,318	
	Q3	3,978	
	Q2	2,222	
	Q1	0	

Performance Measure Status: Approved

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity



A159 Affordable Housing Development

Low-income and special needs households benefit from housing that is developed or preserved through this activity. Capital resources from the Housing Trust Fund and the federal HOME program provide grants and loans to eligible organizations to construct, acquire, and rehabilitate affordable housing. Grants are also available for down payment assistance programs. Funds are awarded on a competitive basis and successful projects must be maintained as affordable housing for persons at or below 80 percent of area median income for a period of 40 years. Operating and maintenance (O&M) subsidies are also available to projects that serve households at or below 30 percent of area median income. Funds for O&M grants are generated through a surcharge on document recording fees.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
12C Affordable Housing for All Account			
12C-1 State	\$(1,453,000)	\$(1,464,000)	\$(2,917,000)
263 Community and Economic Development Fee Account			
263-1 State	\$(2,359,000)	\$41,762	\$(2,317,238)
532 Washington Housing Trust Account			
532-1 State	\$(3,694,000)	\$(1,907,762)	\$(5,601,762)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
263 Community and Economic Development Fee Account			
263-1 State	\$(998,835)	\$1,003,458	\$4,623
001 General Fund			
001-2 Federal	\$(10,000,000)	\$10,000,000	\$0
001-7 Private/Local	\$(752,000)	\$990,000	\$238,000
001 Account Total	(\$10,752,000)	\$10,990,000	\$238,000
532 Washington Housing Trust Account			
532-1 State	\$(904,747)	\$522,747	\$(382,000)

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
12C-1 State	1.5	1.8	1.7
263-1 State	3.0	3.0	3.0
001-2 Federal	5.2	5.4	5.3
532-1 State	16.5	15.7	16.1
FTE Total	26.2	25.9	26.1
12C Affordable Housing for All Account			
12C-1 State	\$2,779,673	\$2,779,114	\$5,558,787
263 Community and Economic Development Fee Account			
263-1 State	\$2,980,275	\$677,234	\$3,657,509
001 General Fund			
001-2 Federal	\$15,102,129	\$9,853,862	\$24,955,991
001-7 Private/Local	\$1,371,641	\$0	\$1,371,641
001 Account Total	\$16,473,770	\$9,853,862	\$26,327,632
532 Washington Housing Trust Account			
532-1 State	\$9,152,069	\$7,096,224	\$16,248,293

Statewide Result Area: Prosperous Economy

Statewide Strategy: Help develop affordable housing

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

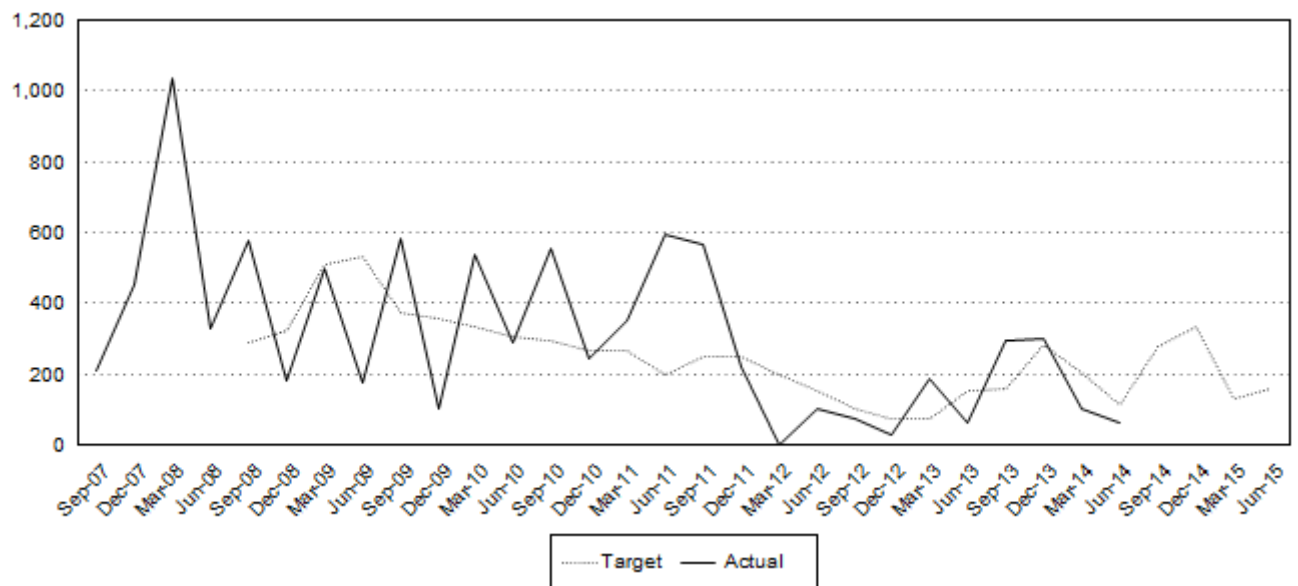
Expected Results

Reduce homelessness by developing and preserving affordable housing.

001249 Number of units added to the Housing Trust Fund affordable housing stock.			
Biennium	Period	Actual	Target
2013-15	Q8		157
	Q7		131
	Q6		335
	Q5		278
	Q4	64	112
	Q3	100	202
	Q2	301	285
	Q1	294	156
2011-13	Q8	63	150
	Q7	187	75
	Q6	28	75
	Q5	76	100
	Q4	103	150
	Q3	0	200
	Q2	219	250
	Q1	567	250
Performance Measure Status: Approved			

Number

001249 - Units added to affordable housing stock



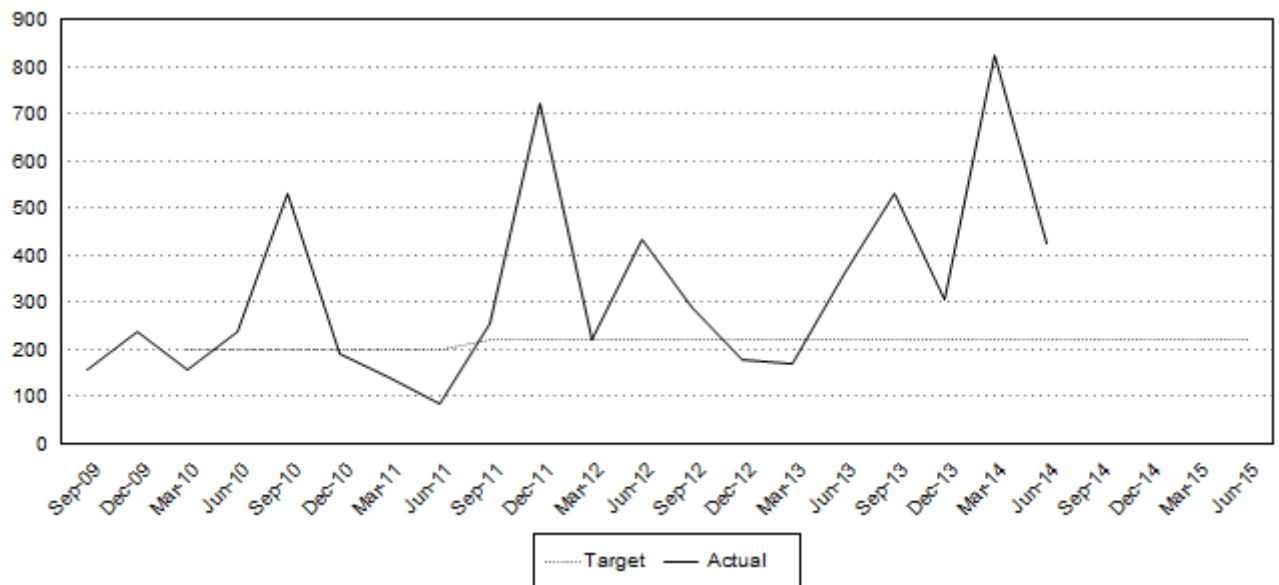
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001791 Data pending. Units preserved in the Housing Trust Fund portfolio through loan management, workouts and monitoring.

Biennium	Period	Actual	Target
2013-15	Q8		220
	Q7		220
	Q6		220
	Q5		220
	Q4	423	220
	Q3	824	220
	Q2	306	220
	Q1	531	220
2011-13	Q8	361	220
	Q7	168	220
	Q6	180	220
	Q5	288	220
	Q4	435	220
	Q3	219	220
	Q2	720	220
	Q1	256	220
Performance Measure Status: Approved			

Number

001791 - Units preserved in HTF portfolio

**A163 Business Development**

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

As the state's primary economic development agency, the Department of Commerce coordinates local economic development projects with state, federal, and private sector resources, proactively identifying and facilitating business recruitment, expansion, and retention opportunities to increase or preserve business investment. The department manages grants awarded to Associate Development Organizations (ADOs) and other economic development focused organizations and ensures grants meet legislative intent; funds, convenes, and facilitates the commercialization of technologies through Innovation Partnership Zones; develops and maintains a business website to promote Washington State as a place to do business; provides a branded platform for the state in communications, marketing, and online to consistently position Washington's innovative business environment; delivers support to ADO network through providing marketing tools, economic data, and access to capital; creates opportunities and forums for Washington companies to develop and promote their products and services; educates national site selectors on benefits of doing business in Washington; and provides marketing kits to third parties to promote Washington State.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	1.0	1.0	1.0
263 Community and Economic Development Fee Account			
263-1 State	\$(118,000)	\$(31,000)	\$(149,000)
001 General Fund			
001-1 State	\$(122,422)	\$(127,244)	\$(249,666)

Program 200 - External Relations

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	0.2	0.2	0.2
001 General Fund			
001-1 State	\$43,162	\$43,162	\$86,324

Program 700 - Business Services

Account	FY 2016	FY 2017	Biennial Total
263 Community and Economic Development Fee Account			
263-1 State	\$391	\$782	\$1,173
001 General Fund			
001-1 State	\$(755,588)	\$(475,088)	\$(1,230,676)
001-2 Federal	\$1,338	\$2,968	\$4,306
001-7 Private/Local	\$2,365	\$4,918	\$7,283
001 Account Total	(\$751,885)	(\$467,202)	(\$1,219,087)

Program 7A0 - Business Services

Account	FY 2016	FY 2017	Biennial Total
FTE			
263-1 State	0.7	1.1	0.9
001-1 State	16.9	14.9	15.9
001-7 Private/Local	0.3	0.0	0.2
FTE Total	17.9	16.0	17.0
263 Community and Economic Development Fee Account			
263-1 State	\$261,371	\$168,383	\$429,754
001 General Fund			
001-1 State	\$5,321,877	\$5,174,743	\$10,496,620
001-7 Private/Local	\$747,426	\$0	\$747,426
001 Account Total	\$6,069,303	\$5,174,743	\$11,244,046
17H WA Global Health Technologies and Product Development account			
17H-6 Non-Appropriated	\$109,000	\$100,000	\$209,000

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Statewide Result Area: Prosperous Economy

Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Expected Results

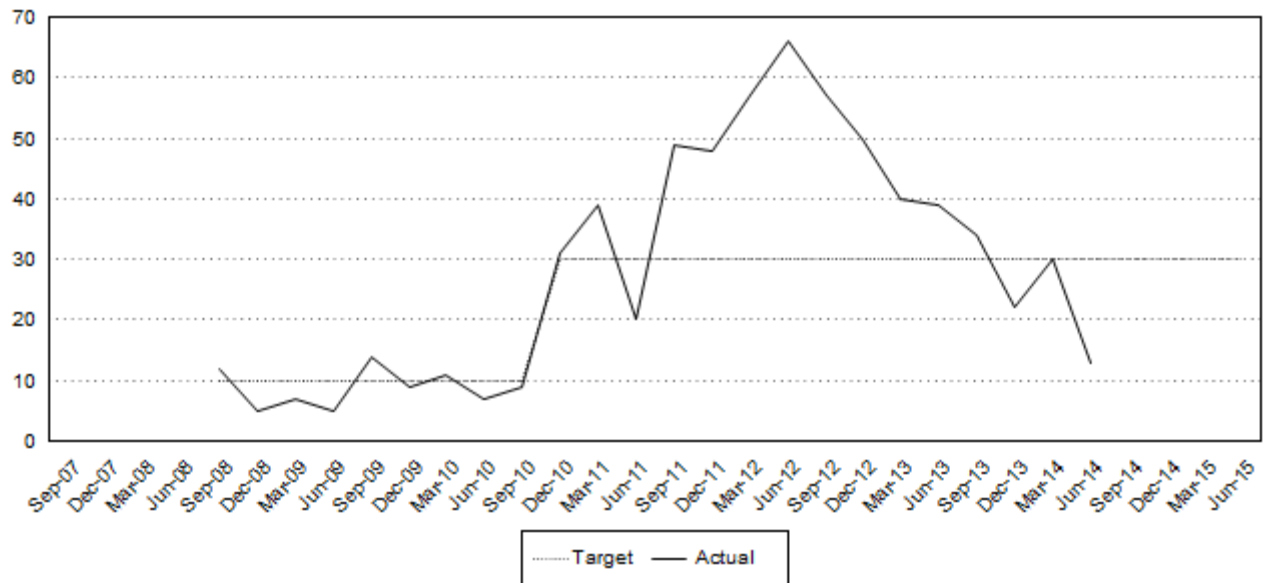
Bring business to Washington while retaining and expanding those businesses already established in the state.

001812 34 number of active cases			
Biennium	Period	Actual	Target
2013-15	Q8		30
	Q7		30
	Q6		30
	Q5		30
	Q4	13	30
	Q3	30	30
	Q2	22	30
	Q1	34	30
2011-13	Q8	39	30
	Q7	40	30
	Q6	50	30
	Q5	57	30
	Q4	66	30
	Q3	57	30
	Q2	48	30
	Q1	49	30
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001812 - Active cases



Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001148 Businesses expanded: Number of businesses which have been in operation in the state for at least 12 months and which are now expanding with ADO direct assistance.

Expansion may include new job creation, new revenue creation, expansion of physical facility, or expansion to new markets out of state.

Businesses recruited: Existing companies directly assisted by the ADO in relocating to, or expanding from outside, Washington.

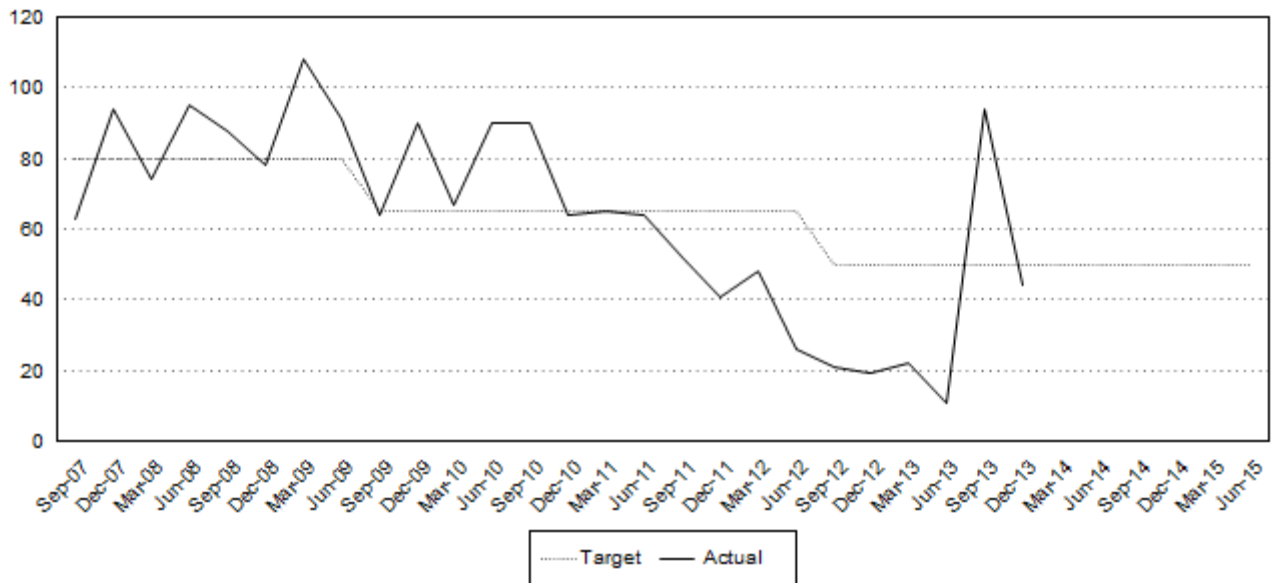
Businesses retained: A business which would have likely moved out of state or closed but remained open for 12 months after initial contact and direct assistance from the ADO.

Biennium	Period	Actual	Target
2013-15	Q8		50
	Q7		50
	Q6		50
	Q5		50
	Q4		50
	Q3		50
	Q2	44	50
	Q1	94	50
2011-13	Q8	11	50
	Q7	22	50
	Q6	19	50
	Q5	21	50
	Q4	26	65
	Q3	48	65
	Q2	41	65
	Q1	52	65
Performance Measure Status: Draft			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001148 - Businesses recruited, retained or expanded



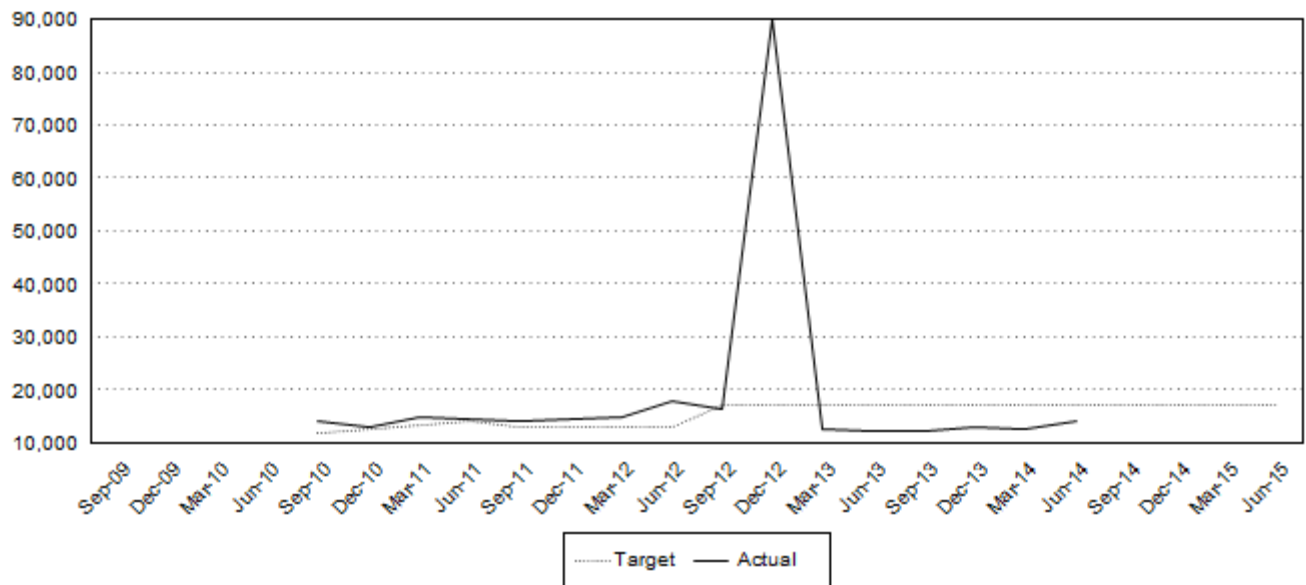
001813 Subject Matter Experts are Robb Zerr ((206) 256-6111, robb.zerr@commerce.wa.gov) and Alexander Harper ((360) 970-1073, alexander.harper@commerce.wa.gov)

Biennium	Period	Actual	Target
2013-15	Q8		17,000
	Q7		17,000
	Q6		17,000
	Q5		17,000
	Q4	14,257	17,000
	Q3	12,496	17,000
	Q2	12,845	17,000
	Q1	12,398	17,000
2011-13	Q8	12,398	17,000
	Q7	12,435	17,000
	Q6	89,835	17,000
	Q5	16,542	17,000
	Q4	17,831	13,000
	Q3	14,810	13,000
	Q2	14,632	13,000
	Q1	14,086	13,000
Performance Measure Status: Draft			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001813 - ChooseWashington.com visits



001149 Jobs Created refers to new jobs created at businesses directly assisted by the ADO.

Jobs Retained refers to the number of jobs which would likely end in the next 12 months but were kept with the ADOs direct assistance. The number of jobs retained is the number of jobs at risk but were saved.

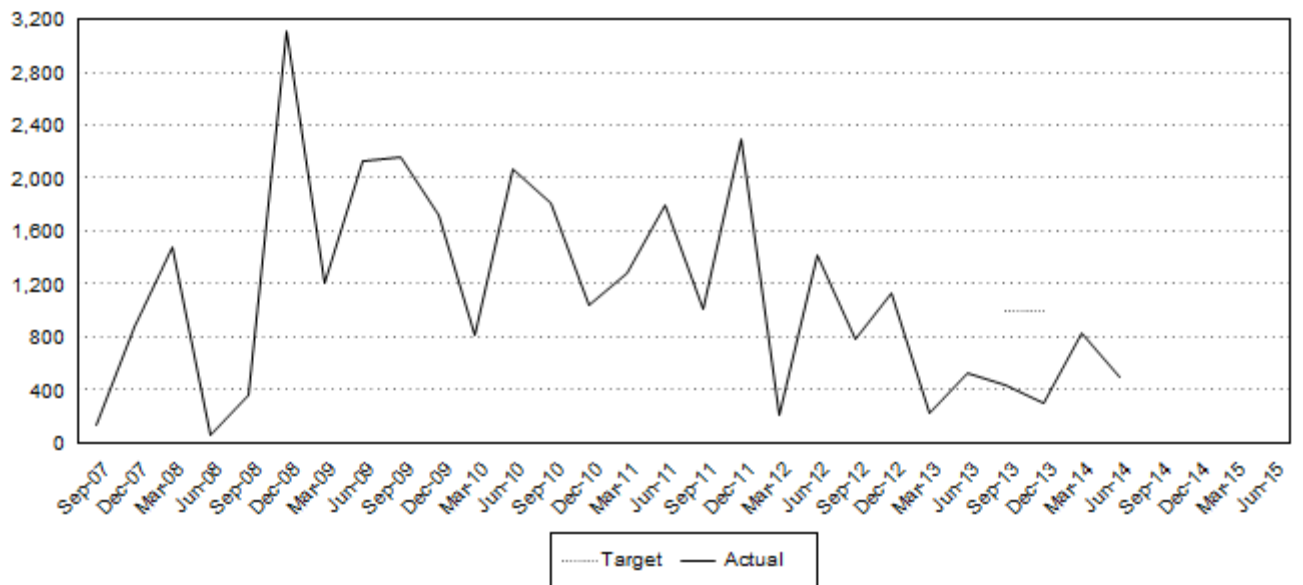
Subject Matter Expert is Karen McArthur, 360-725-4027.

Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4	497.5	
	Q3	832.25	
	Q2	301	1,000
	Q1	444	1,000
2011-13	Q8	532	
	Q7	225	
	Q6	1,132	
	Q5	786	
	Q4	1,413	
	Q3	215	
	Q2	2,292	
	Q1	1,011	
Performance Measure Status: Draft			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001149 - Jobs created and retained

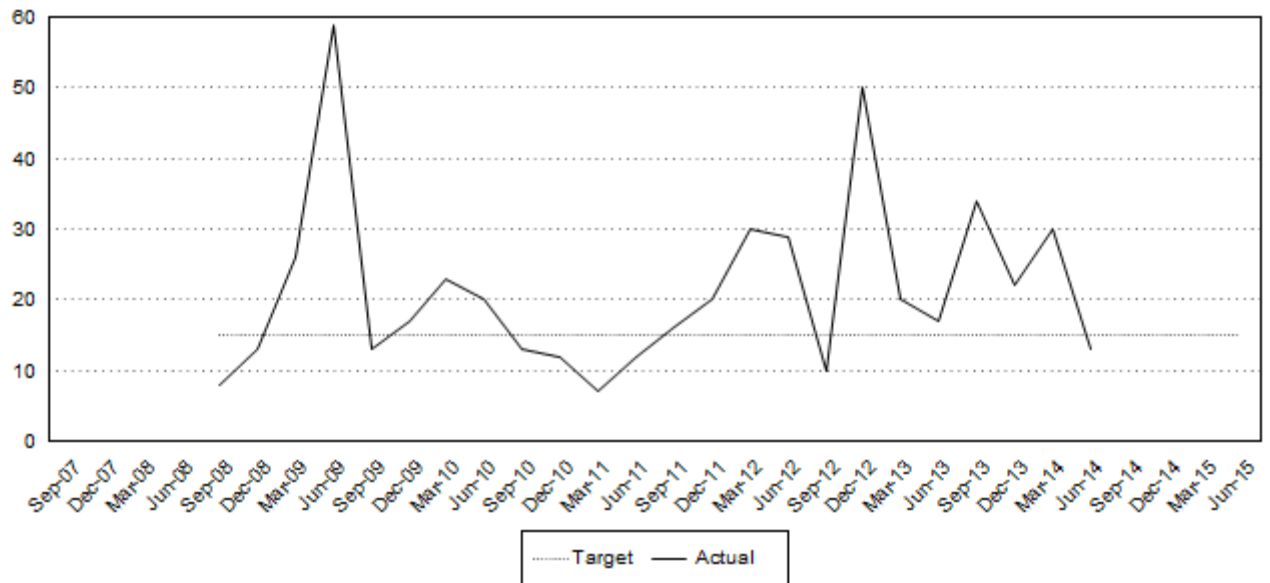


001810 34 Number of leads generated			
Biennium	Period	Actual	Target
2013-15	Q8		15
	Q7		15
	Q6		15
	Q5		15
	Q4	13	15
	Q3	30	15
	Q2	22	15
	Q1	34	15
2011-13	Q8	17	15
	Q7	20	15
	Q6	50	15
	Q5	10	15
	Q4	29	15
	Q3	30	15
	Q2	20	15
	Q1	16	15
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

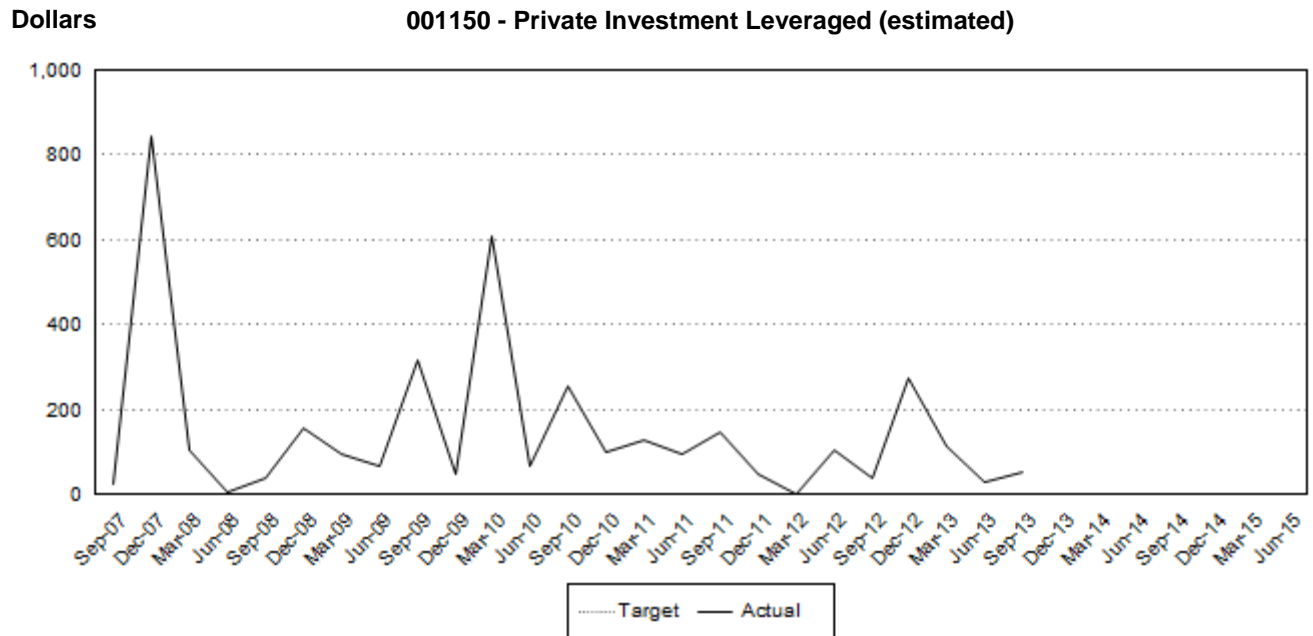
001810 - Leads generated



001150 The amount of money invested by private, non-government entities in financing a business project. The project must have received direct assistance from an ADO.

Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1	\$50	\$29
2011-13	Q8	\$29	
	Q7	\$115	
	Q6	\$275	
	Q5	\$36	
	Q4	\$103.2	
	Q3	\$2	
	Q2	\$48	
	Q1	\$145	
Performance Measure Status: Draft			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity



A168 Asset Building for Working Families

Asset building means improving financial education, planning, and outcomes for working families. Commerce is working with and helping fund the Washington Asset Building Coalition and local coalitions to promote savings and smart borrowing and spending by low and moderate-income residents. One program element is Individual Development Accounts, authorized by RCW 43.31.450 485, which contracts with providers and uses account matching funds to help low-income residents save and make major asset purchases like a home, higher education, or a small business. Additionally, Commerce promotes the Earned Income Tax Credit (EITC) and use of volunteer tax preparation services to increase EITC filing.

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(233,500)	\$(233,500)	\$(467,000)
08E Individual Development Account Program Account			
08E-1 State	\$(39,000)	\$0	\$(39,000)

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$234,000	\$233,000	\$467,000
08E Individual Development Account Program Account			
08E-6 Non-Appropriated	\$19,000	\$20,000	\$39,000

Statewide Result Area: Prosperous Economy

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

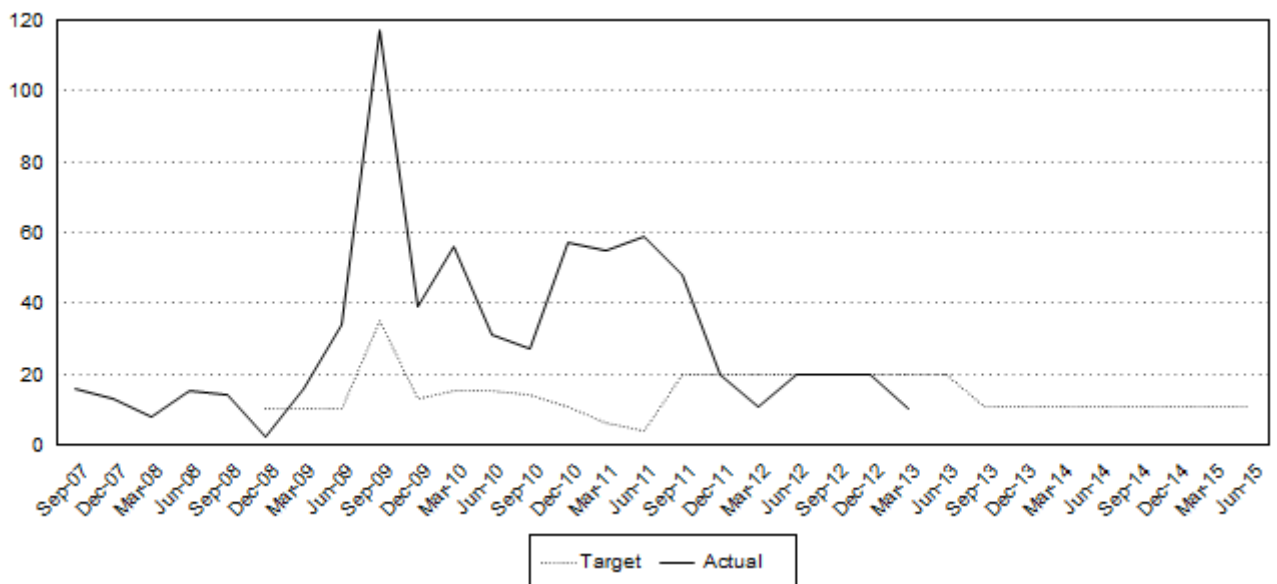
Expected Results

Low and moderate income working families have the skills and training to make sound financial decisions.

001088 Number of assets purchased.			
Biennium	Period	Actual	Target
2013-15	Q8		11
	Q7		11
	Q6		11
	Q5		11
	Q4		11
	Q3		11
	Q2		11
	Q1		11
2011-13	Q8		20
	Q7	10	20
	Q6	20	20
	Q5	20	20
	Q4	20	20
	Q3	11	20
	Q2	20	20
	Q1	48	20
Performance Measure Status: Approved			

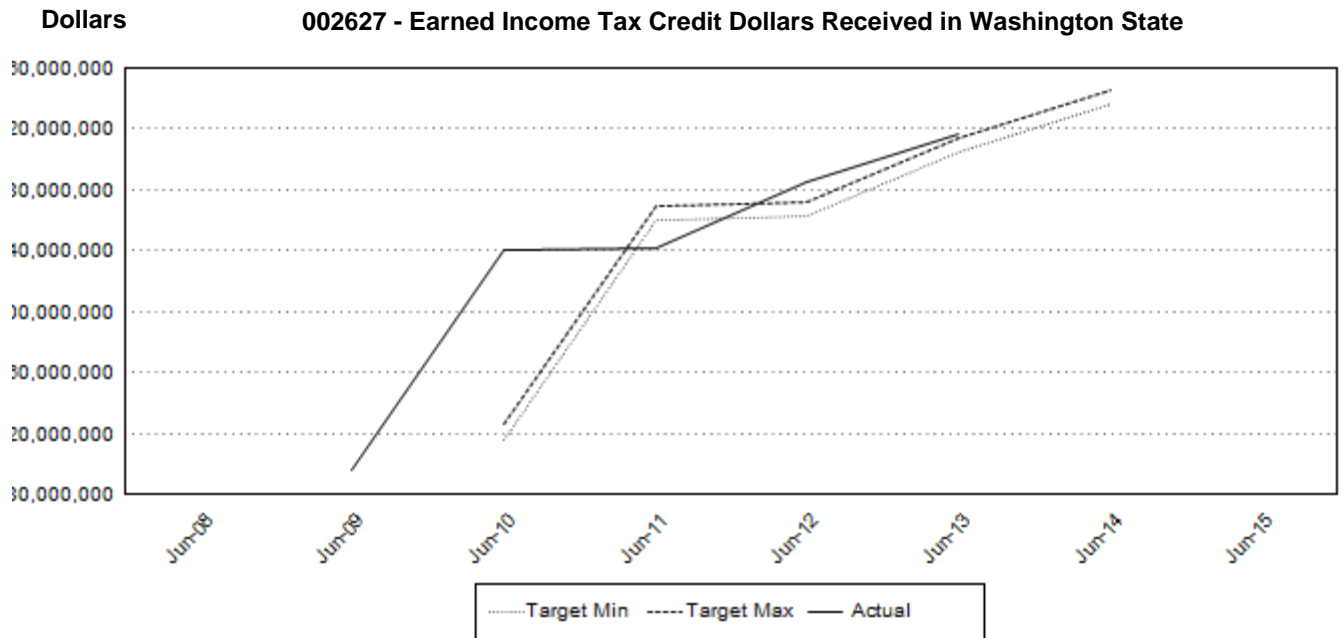
Number

001088 - Assets purchased with IDA Accounts



002627 Local Asset Building Coalitions partner with AARP, IRS, and community partners to promote the Earned Income Tax Credit (EITC) and free tax filing assistance in order to increase financial independence of low/moderate income families. Success is measured as increasing EITC dollars in Washington.

Biennium	Period	Actual	Target Min	Target Max
2013-15	A3			
	A2		\$935,973,694	\$945,973,694
2011-13	A3	\$915,973,694	\$904,517,304	\$914,517,304
	A2	\$884,517,304	\$862,276,182	\$872,276,182
Performance Measure Status: Approved				



A171 Global Trade and Investment Services

Global Trade and Investment Services (GTIS) prepares companies to begin or expand exports, facilitates business introductions; identifies international business opportunities for Washington exporters, staffs high-level trade missions to identify key business opportunities for the state, actively pursues strategic foreign direct investment projects, and reports results against the statewide export initiative targets. Also, GTIS provides "new-to-export" training, assistance and support to Washington businesses to optimize their global supply chains, and a branded marketing platform for the state in print and online to consistently position Washington's innovative business environment globally.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$125,000	\$125,000	\$250,000

Program 700 - Business Services

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-2 Federal	(1.0)	0.0	(0.5)
001 General Fund			
001-1 State	\$22,027	\$47,038	\$69,065
001-2 Federal	\$(227,000)	\$(84,526)	\$(311,526)
001 Account Total	(\$204,973)	(\$37,488)	(\$242,461)

Program 7A0 - Business Services

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	9.2	9.7	9.5
001-2 Federal	0.5	0.0	0.3
001 General Fund			
001-1 State	\$1,807,473	\$1,686,254	\$3,493,727
001-2 Federal	\$680,132	\$0	\$680,132
001-7 Private/Local	\$69,000	\$69,000	\$138,000
001 Account Total	\$2,556,605	\$1,755,254	\$4,311,859

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

Washington's companies have the skills, training, and information necessary to conduct business in a global market.

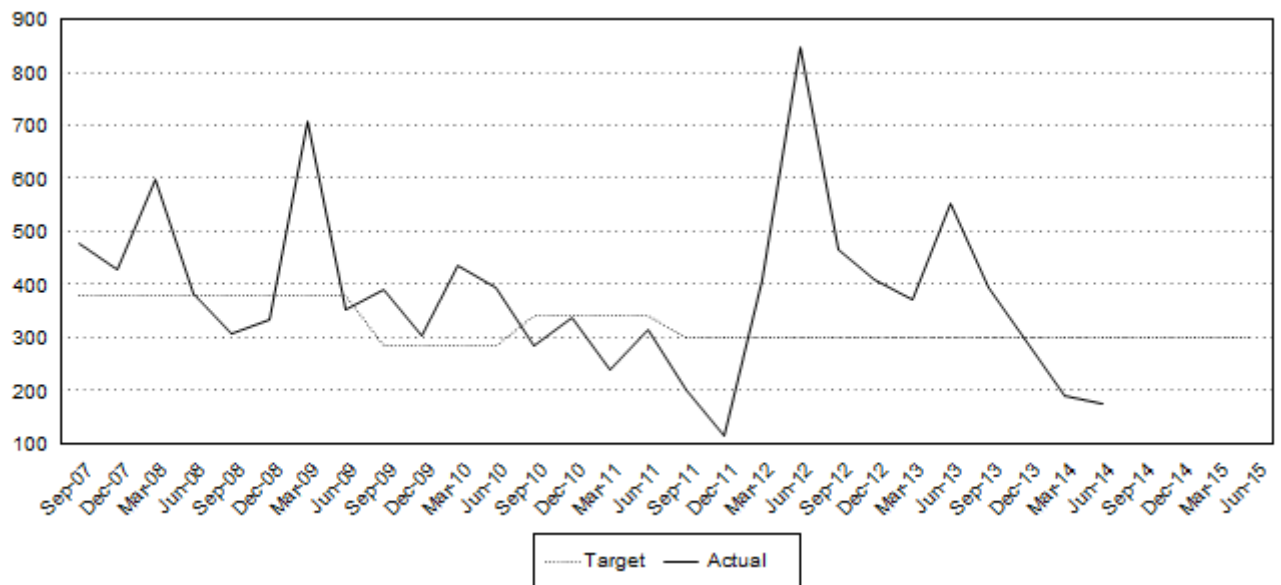
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001140 Commerce received 393 export assistance requests from 212 companies in the first quarter of the fiscal year 2013.

Biennium	Period	Actual	Target
2013-15	Q8		300
	Q7		300
	Q6		300
	Q5		300
	Q4	175	300
	Q3	191	300
	Q2	294	300
	Q1	393	300
2011-13	Q8	553	300
	Q7	373	300
	Q6	411	300
	Q5	465	300
	Q4	848	300
	Q3	410	300
	Q2	116	300
	Q1	203	300
Performance Measure Status: Approved			

Number

001140 - Export assistance cases



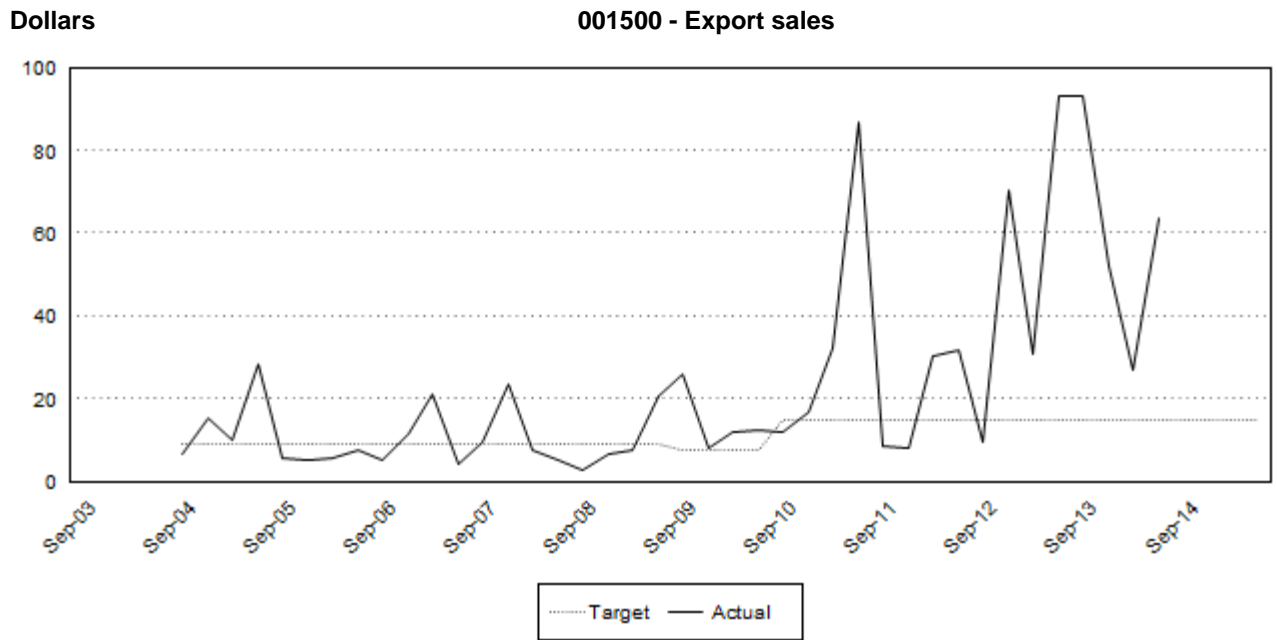
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001500

Washington companies reported \$203.3 million in Commerce-assisted export sales, supporting nearly 1,100 jobs.

***This figure was arrived at using the U.S. Dept. of Commerce jobs multiplier of \$185,000 in export sales equaling one job.**

Biennium	Period	Actual	Target
2013-15	Q8		\$15
	Q7		\$15
	Q6		\$15
	Q5		\$15
	Q4	\$63.6	\$15
	Q3	\$27	\$15
	Q2	\$52	\$15
	Q1	\$92.9	\$15
2011-13	Q8	\$92.9	\$15
	Q7	\$30.5	\$15
	Q6	\$70.6	\$15
	Q5	\$9.3	\$15
	Q4	\$31.6	\$15
	Q3	\$30	\$15
	Q2	\$7.8	\$15
	Q1	\$8.7	\$15
Performance Measure Status: Approved			



A177 Criminal Justice Investments

This activity provides federal funds for local crime prevention, crime investigation, and the prosecution of crime. These programs increase communication and cooperation between governments, businesses, and community organizations in order to increase public safety. The Justice Assistance Grant Program funds multi jurisdictional drug/gang task forces, drug courts, youth violence prevention, crime victim advocacy, criminal records improvements, and tribal law enforcement coordination. The Financial Fraud and Identity Theft Program provides funds to King, Pierce, and Spokane counties for task forces, prosecutors, law enforcement, and other support to reduce financial fraud and identity crimes. The Financial Fraud and Identity Theft Program's funds are matched dollar-for-dollar by private sector sources.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(96,019)	\$(96,019)	\$(192,038)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(2,878)	\$(2,878)	\$(5,756)

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
14M-1 State	0.0	0.1	0.1
001-1 State	0.2	0.2	0.2
001-2 Federal	2.7	3.2	3.0
FTE Total	2.9	3.5	3.2
14M Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account			
14M-1 State	\$580,895	\$580,976	\$1,161,871
001 General Fund			
001-1 State	\$616,078	\$648,171	\$1,264,249
001-2 Federal	\$4,177,689	\$4,867,346	\$9,045,035
001 Account Total	\$4,793,767	\$5,515,517	\$10,309,284

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Administer Justice

Expected Results

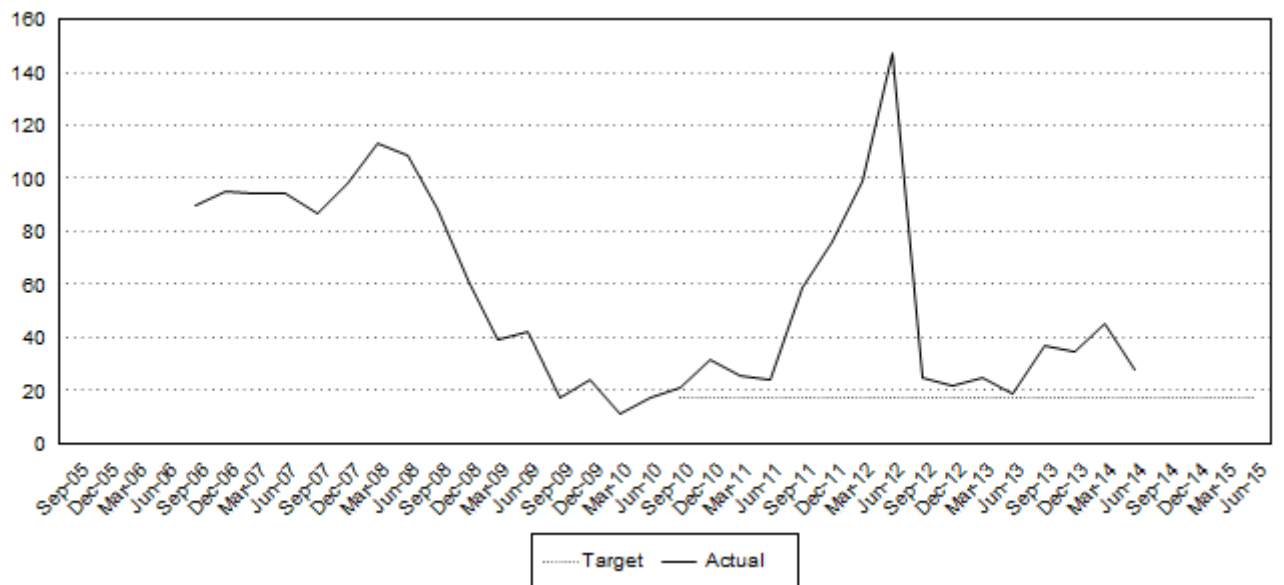
Reduce crime in Washington.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001324 Number of drug trafficking/gang organizations disrupted/dismantled in counties served by Commerce funded programs.			
Biennium	Period	Actual	Target
2013-15	Q8		17
	Q7		17
	Q6		17
	Q5		17
	Q4	28	17
	Q3	45	17
	Q2	35	17
	Q1	37	17
2011-13	Q8	19	17
	Q7	25	17
	Q6	22	17
	Q5	25	17
	Q4	147	17
	Q3	99	17
	Q2	76	17
	Q1	59	17
Performance Measure Status: Approved			

Number

001324 - Drug trafficking organizations disrupted

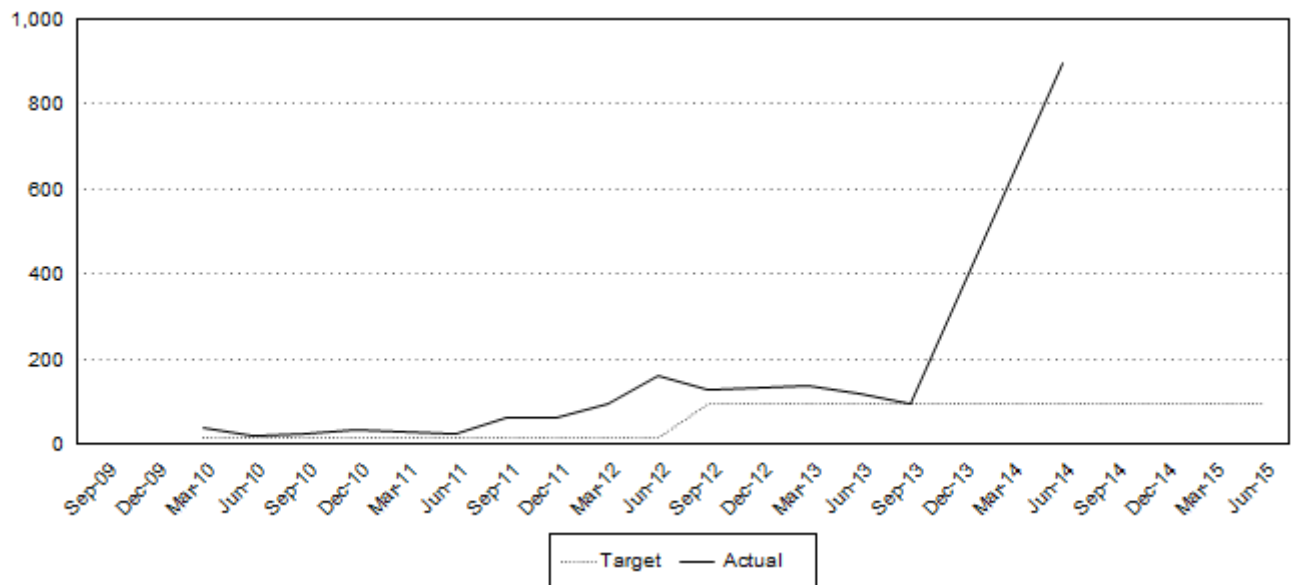


Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001096 Number of convictions resulting from the prosecution of task force cases.			
Biennium	Period	Actual	Target
2013-15	Q8		92
	Q7		92
	Q6		92
	Q5		92
	Q4	895	92
	Q3		92
	Q2		92
	Q1	92	92
2011-13	Q8	119	92
	Q7	135	92
	Q6	134	92
	Q5	128	92
	Q4	158	12
	Q3	92	12
	Q2	59	12
	Q1	59	12
Performance Measure Status: Approved			

Number

001096 - Financial fraud convictions

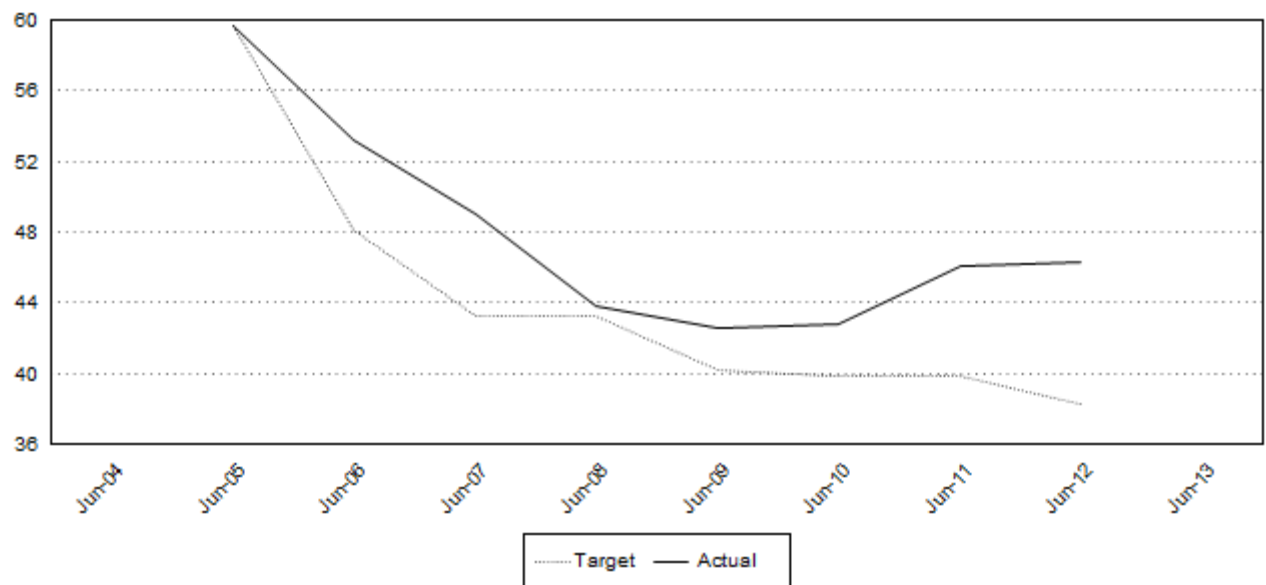


Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001331 Per capita index crime in program counties compared to state average.			
Biennium	Period	Actual	Target
2011-13	A3		
	A2	46.3%	38.3%
Performance Measure Status: Approved			

Percent

001331 - Reduction in index crimes



A179 New Americans

The New Americans Program was created in 2008, consistent with the Governor's Executive Order 08 01 that affirmed the value new Americans bring to the workforce and state economy. The program provides naturalization assistance for the many legal permanent residents who come to Washington to work in high demand occupations in science and technology. This program funds U.S. citizenship preparation so the State of Washington can retain high demand workers. The program requires that participants are not receiving public assistance and meet all other U.S. citizenship requirements. This contract requires a 25 percent match of non-state funds.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	(0.2)	(0.2)	(0.2)
001 General Fund			
001-1 State	\$(316,800)	\$(316,800)	\$(633,600)

Program 300 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$198,000	\$0	\$198,000

Program 3A0 - Community Services and Housing

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	0.0	0.2	0.1
001 General Fund			
001-1 State	\$195,892	\$391,783	\$587,675

Statewide Result Area: Prosperous Economy

Statewide Strategy: Upgrade the skills of current or returning retired workers

Expected Results

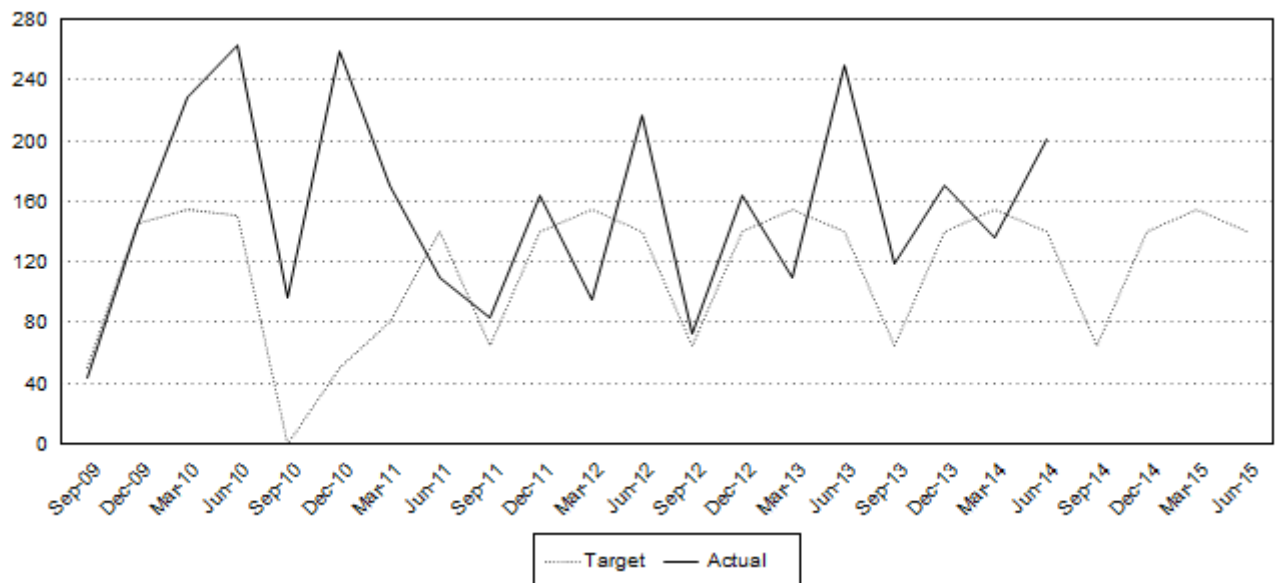
Legal permanent residents receive naturalization assistance.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001100 Number of program participants completing N-400 applications for citizenship.			
Biennium	Period	Actual	Target
2013-15	Q8		140
	Q7		155
	Q6		140
	Q5		65
	Q4	201	140
	Q3	136	155
	Q2	170	140
	Q1	119	65
2011-13	Q8	250	140
	Q7	110	155
	Q6	164	140
	Q5	73	65
	Q4	216	140
	Q3	95	155
	Q2	164	140
	Q1	83	65
Performance Measure Status: Approved			

Number

001100 - Applications for Citizenship



A180 American Recovery Act Funding

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Commerce administers federal programs funded under the American Recovery and Reinvestment Act. The purpose of these funds is to create and retain jobs, continue vital services at risk due to the economy's downgraded fiscal condition, and position the state's communities and workforce for economic recovery.

Account	FY 2016	FY 2017	Biennial Total
263 Community and Economic Development Fee Account			
263-1 State	\$(150,000)	\$25,000	\$(125,000)

Program 500 - Energy and Innovation

Account	FY 2016	FY 2017	Biennial Total
263 Community and Economic Development Fee Account			
263-1 State	\$68	\$136	\$204
001 General Fund			
001-8 Federal Stimulus	\$(1,000)	\$1,000	\$0

Program 5A0 - Energy and Innovation

Account	FY 2016	FY 2017	Biennial Total
FTE			
263-1 State	0.1	0.3	0.2
001-8 Federal Stimulus	0.2	0.0	0.1
FTE Total	0.3	0.3	0.3
263 Community and Economic Development Fee Account			
263-1 State	\$220,129	\$18,985	\$239,114
001 General Fund			
001-8 Federal Stimulus	\$142,735	\$(1,000)	\$141,735

Statewide Result Area: Prosperous Economy

Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments

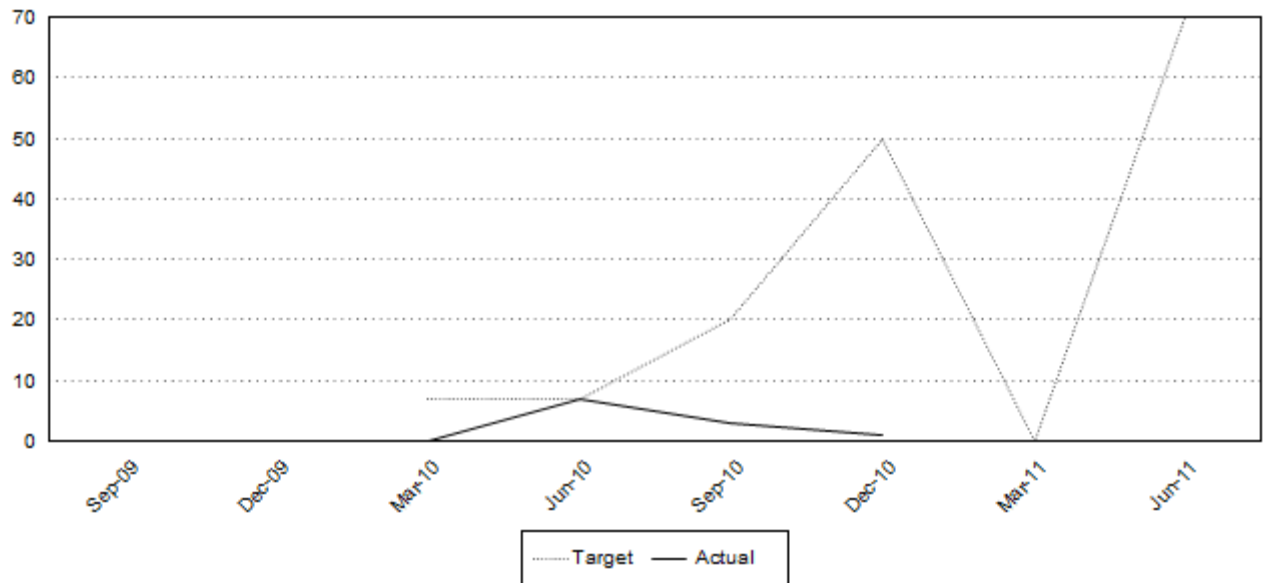
Expected Results

Create and retain jobs in Washington while continuing vital services and building essential infrastructure for economic growth.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001367 - ARRA (EAP) training



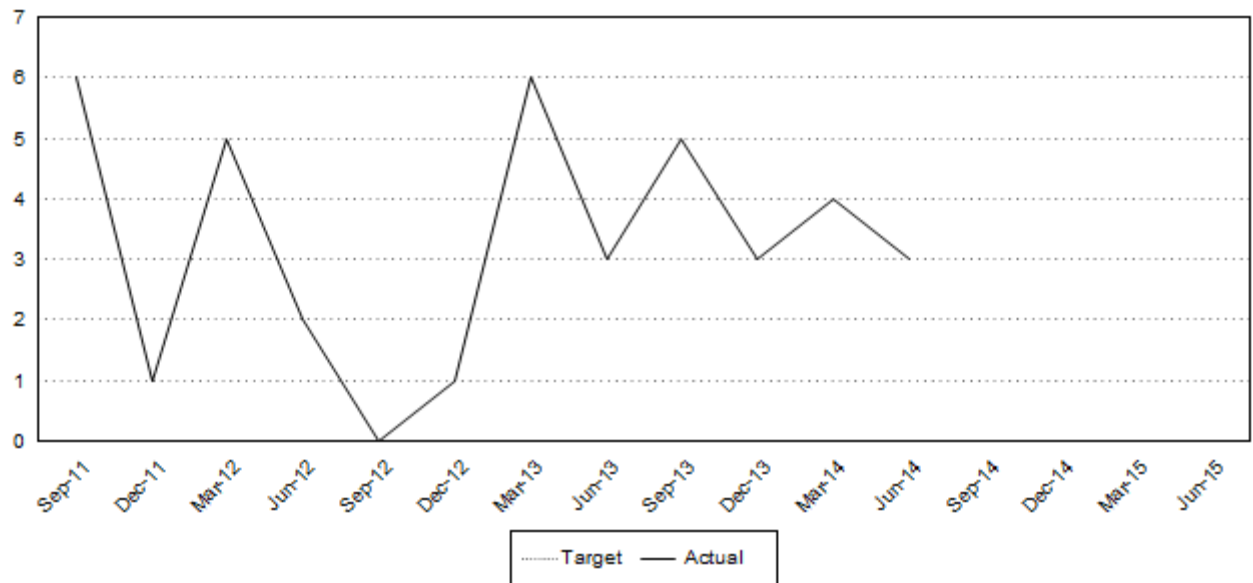
001991 Number of months since the last broadband map update. (Requirement is at least every 7 months)

Biennium	Period	Actual	Target
2013-15	Q8		7
	Q7		7
	Q6		7
	Q5		7
	Q4	3	7
	Q3	4	7
	Q2	3	7
	Q1	5	7
2011-13	Q8	3	7
	Q7	6	7
	Q6	1	7
	Q5	0	7
	Q4	2	7
	Q3	5	7
	Q2	1	7
	Q1	6	7
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001991 - Broadband map update < 7 months



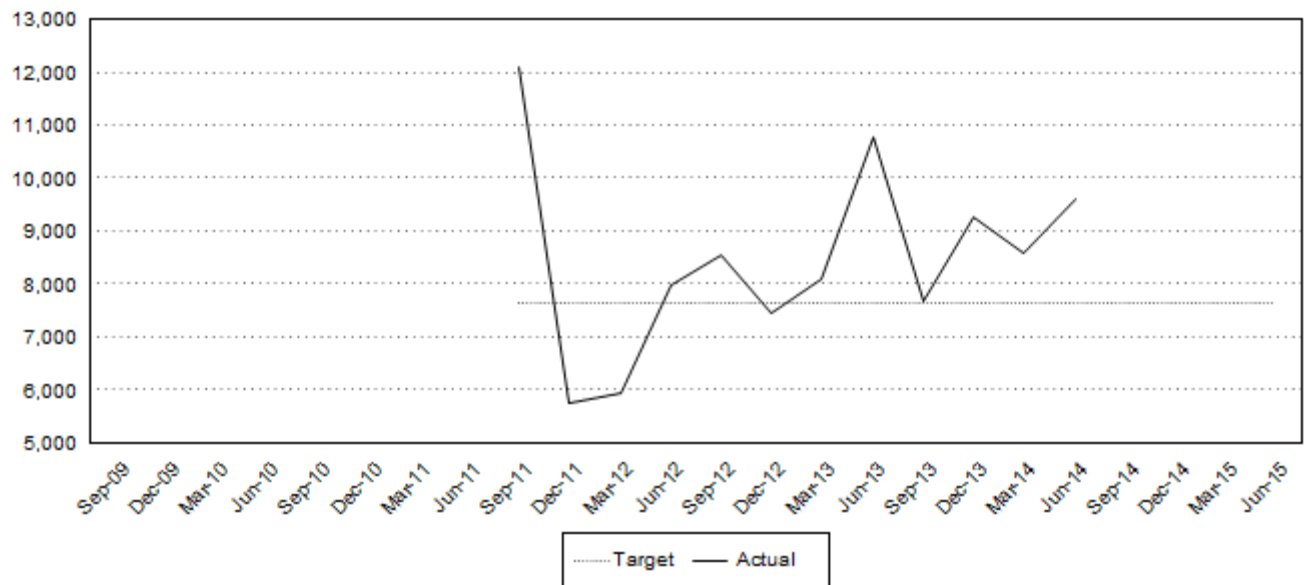
001990 Number of web hits to the Broadband website each quarter.

Biennium	Period	Actual	Target
2013-15	Q8		7,640
	Q7		7,640
	Q6		7,640
	Q5		7,640
	Q4	9,594	7,640
	Q3	8,579	7,640
	Q2	9,276	7,640
	Q1	7,677	7,640
2011-13	Q8	10,773	7,640
	Q7	8,083	7,640
	Q6	7,437	7,640
	Q5	8,529	7,640
	Q4	7,997	7,640
	Q3	5,938	7,640
	Q2	5,743	7,640
	Q1	12,091	7,640
Performance Measure Status: Approved			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001990 - Broadband web hits

**001237 Number of units preserved through weatherization and rehabilitation**

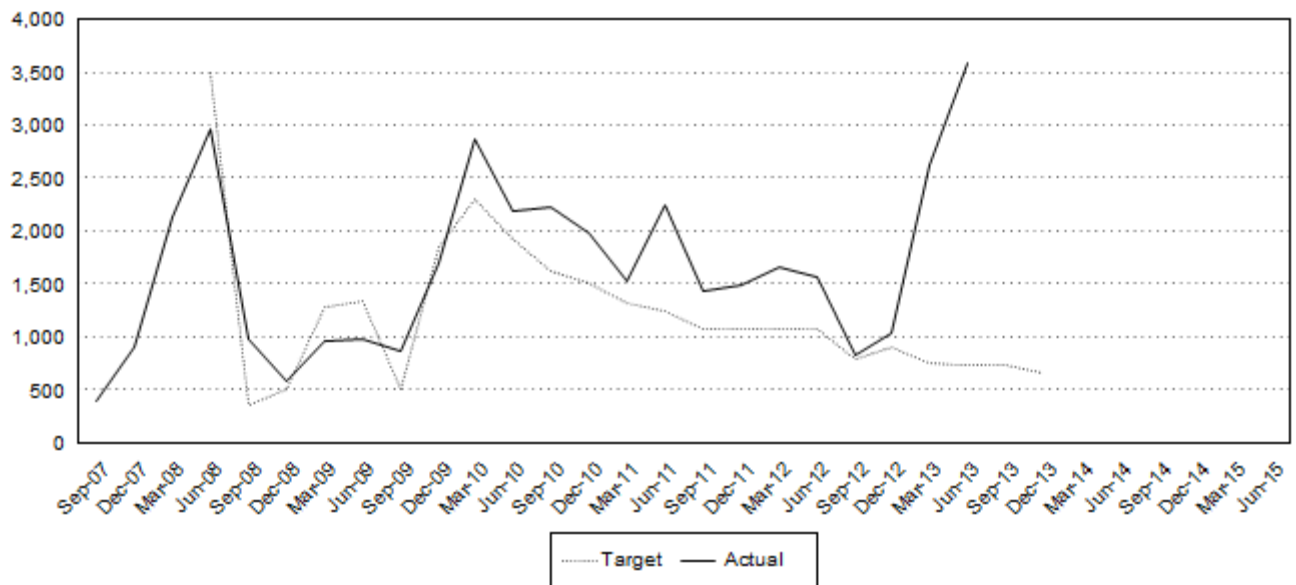
Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		663
	Q1		730
2011-13	Q8	3,591	730
	Q7	2,618	754
	Q6	1,041	898
	Q5	831	793
	Q4	1,568	1,080
	Q3	1,669	1,079
	Q2	1,487	1,080
	Q1	1,439	1,079

Performance Measure Status: Approved

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Number

001237 - Units preserved (weatherization and rehab.)



A182 Municipal Research and Services Center (MRSC)

The Municipal Research and Services Center of Washington (MRSC) is a private nonprofit agency that provides local government officials with research, information, and advice under a personal services contract with Commerce pursuant to RCW 43.110. MRSC responds to requests for information on municipal law, finance, growth management, public works, management, and operations from Washington's 281 cities and 39 counties. The MRSC's library holds the state's largest collection of municipal reference materials, with over 12,000 volumes. MRSC also publishes many research articles and operates a web site that receives over 3 million visits per year. These consolidated services reduce the need for local staff and are especially crucial to smaller units of local government. The MRSC is principally funded through a small portion of the cities' distributions of the state liquor profits and the counties' distribution of the liquor excise tax.

Program 200 - External Relations

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	2.4	2.4	2.4
501-1 State	0.6	(0.1)	0.3
FTE Total	3.0	2.3	2.7
501 Liquor Revolving Account			
501-1 State	\$2,793,932	\$2,792,932	\$5,586,864

Statewide Result Area: Efficient, Effective and Accountable Government

Statewide Strategy: Provide data, information, and analysis to support decision-making

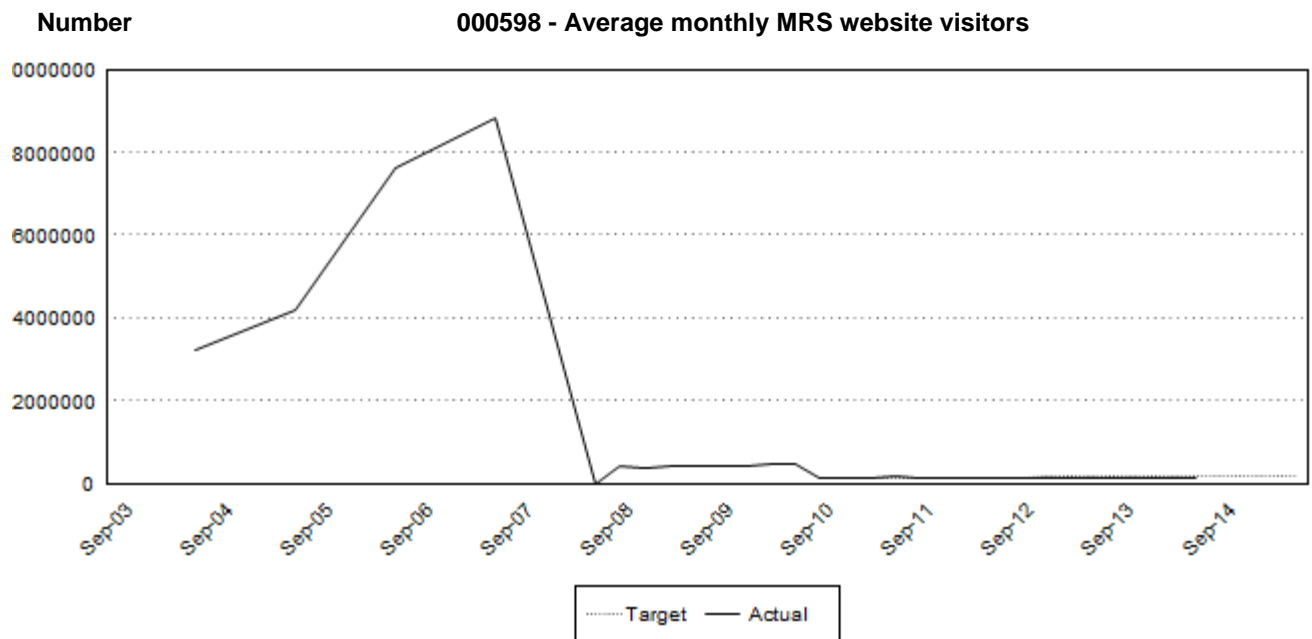
Expected Results

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Cities, towns, and counties have adequate research and information to make sound decisions for their communities.

000598 Prior to FY 11, we were measuring the number of web visitors per quarter. We are now tracking average monthly visits.			
Biennium	Period	Actual	Target
2013-15	Q8		150,615
	Q7		150,615
	Q6		150,615
	Q5		150,615
	Q4	130,623	150,615
	Q3		150,615
	Q2		150,615
	Q1		150,615
2011-13	Q8		150,615
	Q7		149,124
	Q6	126,000	147,648
	Q5	123,000	146,186
	Q4	133,000	144,738
	Q3	141,000	143,305
	Q2	129,000	141,886
	Q1	141,000	140,482
Performance Measure Status: Draft			

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

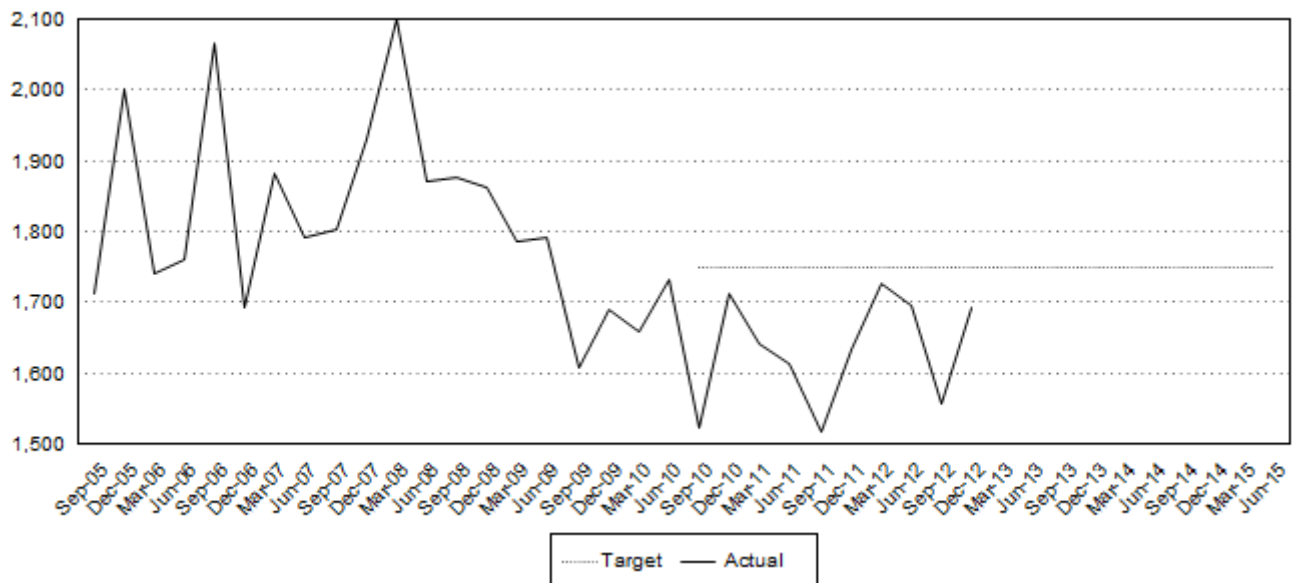


Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

001794 Number of inquiries received by the Municipal Research Services Center			
Biennium	Period	Actual	Target
2013-15	Q8		1,750
	Q7		1,750
	Q6		1,750
	Q5		1,750
	Q4		1,750
	Q3		1,750
	Q2		1,750
	Q1		1,750
2011-13	Q8		1,750
	Q7		1,750
	Q6	1,693	1,750
	Q5	1,556	1,750
	Q4	1,694	1,750
	Q3	1,727	1,750
	Q2	1,632	1,750
	Q1	1,517	1,750
Performance Measure Status: Draft			

Number

001794 - Inquiries (MRS)



A183 Public Facilities District Independent Financial Feasibility Reviews

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

The Public Facilities District (PFD) Independent Financial Feasibility Review Program is required by RCWs 36.100.025 and 35.57.025, which provide that an independent review must take place before: a new public facilities district is formed; the issuance of new debt by a PFD; or the long-term lease, purchase, or development of a facility by a PFD. The reviews examine the potential costs to be incurred by the PFD and the adequacy of revenues or expected revenues to meet those costs, and are conducted by qualified private consulting firms, state agencies, or educational institutions under contract with Department of Commerce.

Program 200 - External Relations

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-7 Private/Local	0.1	0.1	0.1
001 General Fund			
001-7 Private/Local	\$44,851	\$31,282	\$76,133

Statewide Result Area: Prosperous Economy

Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Expected Results

Local decision makers, state officials and legislators, and the public, have access to objective and timely analysis of the financial feasibility of proposed PFD projects.

A184 Sector Leads

Sector leads serve as the link between government and key industries in Washington State. The Department of Commerce, Office of Economic Development and Competitiveness has sector leads in the advanced manufacturing, aerospace, clean technology, Information and Communications Technology (ICT), life science, maritime and military industries. They work with other Commerce staff and local partners to improve business recruitment, retention and expansion opportunities.

Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	2.0	2.0	2.0
001 General Fund			
001-1 State	\$256,754	\$256,754	\$513,508
001-7 Private/Local	\$100,000	\$100,000	\$200,000
001 Account Total	\$356,754	\$356,754	\$713,508

Program 500 - Energy and Innovation

Account	FY 2016	FY 2017	Biennial Total
001 General Fund			
001-1 State	\$(31,558)	\$(27,139)	\$(58,697)
001-7 Private/Local	\$1,327	\$2,948	\$4,275
001 Account Total	(\$30,231)	(\$24,191)	(\$54,422)

Program 5A0 - Energy and Innovation

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	2.3	2.7	2.5
001-7 Private/Local	0.3	1.0	0.7
001 General Fund			
001-1 State	\$344,438	\$417,634	\$762,072
001-7 Private/Local	\$38,547	\$156,763	\$195,310
001 Account Total	\$382,985	\$574,397	\$957,382

Statewide Result Area: Prosperous Economy

Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Expected Results

To create and sustain a thriving economic climate that spurs job growth in every industry sector and every corner of Washington State.

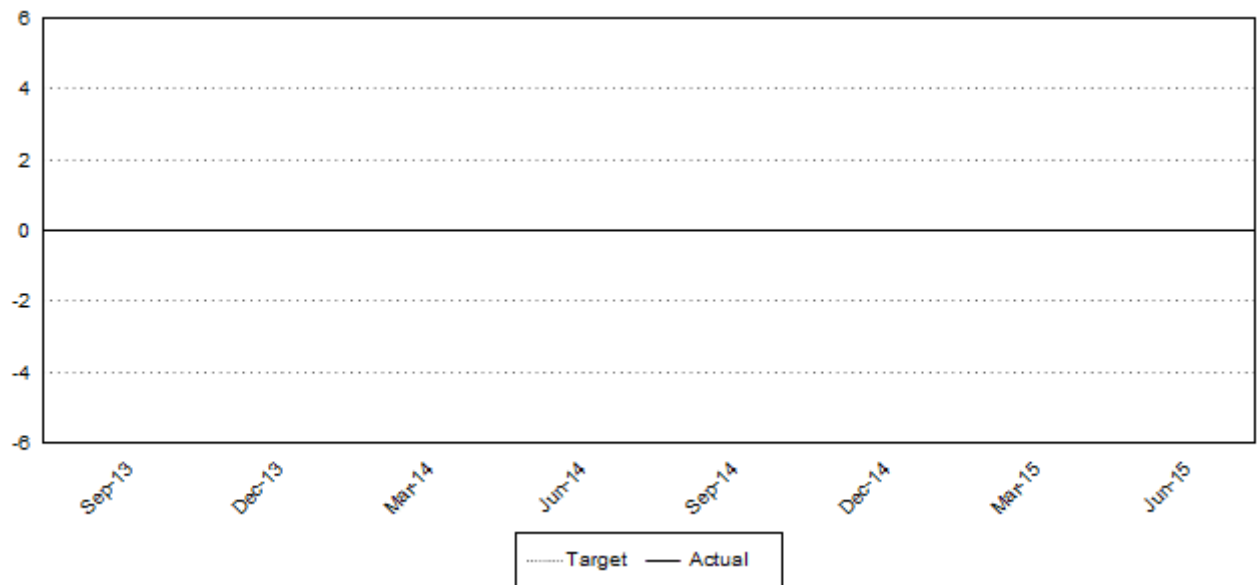
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

002631 Growth in total combined gross income for businesses in key industry sectors, reported quarterly by the businesses to the Washington State Department of Revenue.

Biennium	Period	Actual	Target
2013-15	A3		
	A3		
	A2		
	A2		
	A2		
	A2		
	A1		
	A1		
Performance Measure Status: Draft			

Percent

002631 - Sector Leads: Gross Business Income Growth in Key Industry Sectors



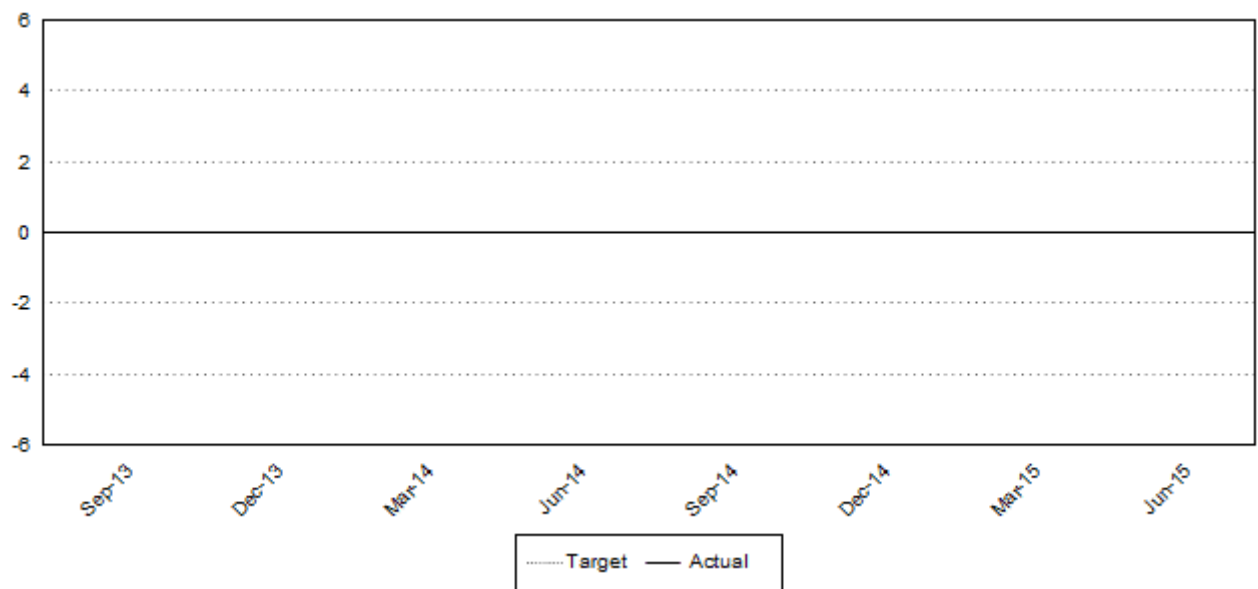
Appropriation Period: 2015-17 Activity Version: CL - 2015-17 Biennium Budget Sort By: Activity

002632 Growth in employment for businesses in key industry sectors, reported quarterly by the businesses to the Washington State Employment Security Department.

Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1		
Performance Measure Status: Draft			

Percent

002632 - Sector Leads: Job Growth in Key Industry Sectors



Grand Total

	FY 2016	FY 2017	Biennial Total
FTE's	268.8	274.1	271.5
GFS	\$64,156,664	\$64,797,440	\$128,954,104
Other	\$166,924,071	\$182,930,750	\$349,854,821
Total	\$231,080,735	\$247,728,190	\$478,808,925

Agency Performance Measure Incremental Estimates for the Biennial Budget

Agency: 103 Department of Commerce
Budget Period: 2015-17
Activity: A003 Community Services Block Grant

Outcome Measures **001069** **Community Services Block Grant. Percent of low income individuals receiving one or more non-emergency service from a community action agency who make progress during the period.**

				<u>FY 2016</u>	<u>FY 2017</u>
PL	B4	Reduce Community Svcs Block Grant		(15.00%)	(15.00%)

Activity: A005 Developmental Disabilities Council and Endowment

PL	P2	Transfer Dev Disabilities Council	No measures linked to decision package
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Activity: A008 Services to Crime Victims

Output Measures **002010** **Median service hours per agency was selected as measure to allow analysis of agency performance in monitoring.**

				<u>FY 2016</u>	<u>FY 2017</u>
PL	B6	Reduce Crime Victim Services		(160.00)	(160.00)
PL	B7	Reduce Sexual Assault Services		(240.00)	(240.00)

Activity: A011 Strengthening Criminal Justice Response to Victims of Crime

Output Measures **002009** **This measure shows the numbers of victims who receive a service that includes assistance each quarter. Services including assistance consist of protection orders, court proceedings, impact statements, restitutions and compensation claims.**

				<u>FY 2016</u>	<u>FY 2017</u>
PL	B5	Reduce Victim/Witness Services		(3,204.00)	(3,204.00)
PL	B8	Reduce Domestic Violence Victim Svc		(750.00)	(750.00)

Activity: A012 Long-Term Care Ombudsman Program

PL	B3	Reduce Long Term Care Services	No measures linked to decision package
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Activity: A019 Train and Maintain Volunteers Supporting Community Capacity

Output Measures **001087** **Number of volunteer placements.**

				<u>FY 2016</u>	<u>FY 2017</u>
PL	A8	Reduce Retired Senior Volunteer Pro		(1,180.00)	(1,180.00)

Output Measures **001098** **Number of non-litigation cases**

				<u>FY 2016</u>	<u>FY 2017</u>
PL	B1	Reduce Dispute Resolution Centers		(850.00)	(850.00)

Agency Performance Measure Incremental Estimates for the Biennial Budget

Agency: 103 Department of Commerce**Budget Period: 2015-17****Activity: A035 Community Economic Revitalization Board and Program**

PL	A0	Eliminate Advanced Planning Grant	No measures linked to decision package
PL	P0	Maximize Economic Dev Opportunities	No measures linked to decision package

Activity: A049 State Energy Policy

PL	B9	Reduce Energy Office Funding	No measures linked to decision package
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Activity: A104 Growth Management

PL	A6	Reduce Walla Walla CC Env Center	No measures linked to decision package
----	----	----------------------------------	--

Outcome Measures 002634 Noncompliance is defined as those jurisdictions that have not met the mandatory requirement, found in RCW 36.70A.130, to update their comprehensive plan and development regulations, including their critical areas ordinance.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	N4	Growth Management Plan Updates	1.00%	1.00%

Activity: A106 Local Government Fiscal Notes

PL	A3	Eliminate Evergreen Jobs Program	No measures linked to decision package
PL	A5	Reduce NW Ag Business Center Funds	No measures linked to decision package

Outcome Measures 002665 Rating from an annual survey sent to more than 300 customers of local government fiscal notes: local government officials, other state fiscal note producers, OFM reviewers, legislators and their staff. Response rates vary by year.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	A2	Reduce Local Govt Fiscal Note Prog	(0.60)	0.00

Output Measures 001322 Data is based upon the number of local government fiscal notes submitted to OFM within five working days from when OFM assigned them (the statutory deadline) divided by the total number of notes submitted.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	A2	Reduce Local Govt Fiscal Note Prog	(4.00%)	0.00%

Agency Performance Measure Incremental Estimates for the Biennial Budget

Agency: 103 Department of Commerce
Budget Period: 2015-17
Process - Efficiency Measures 002667

Data is based upon the number of local government fiscal notes where OFM asks for a revision of any kind divided by the total number of notes distributed to the Legislature.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	A2	Reduce Local Govt Fiscal Note Prog	1.60%	0.00%

Activity: A113
Public Works Infrastructure Grants and Loans
Outcome Measures
001436
Number of construction related jobs sustained through Public Works infrastructure investments.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	P1	PWAA Local Project Assistance	4,000.00	6,000.00

Output Measures
001437
Percent of projects completed on time, as per contract (within scope of work).

			<u>FY 2016</u>	<u>FY 2017</u>
PL	P1	PWAA Local Project Assistance	50.00%	40.00%

Activity: A157
Homeless Housing and Assistance
Outcome Measures
001245
Percent of households exiting to permanent housing.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	N0	Homeless School Children	80.00%	85.00%

Outcome Measures
002630
The annual count of people who are homeless is organized by local governments in coordination with the state during third week of every January, and is required under federal and state laws. This is one of several measures of homeless housing efforts.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	C0	Reduce Housing and Essential Needs	580.00	580.00

Output Measures
002629
The number of total individuals (including singles and people in families) in the quarter receiving short-term housing assistance (in the form of rent, shelter and/or other services) to ensure their homelessness is rare, brief and non-recurring.

			<u>FY 2016</u>	<u>FY 2017</u>
PL	C0	Reduce Housing and Essential Needs	(580.00)	(580.00)

Activity: A163
Business Development

PL	A1	Reduce Communications and Outreach	No measures linked to decision package
PL	A5	Reduce NW Ag Business Center Funds	No measures linked to decision package
PL	N5	Enterprise Regulatory Improvement	No measures linked to decision package

Agency Performance Measure Incremental Estimates for the Biennial Budget

Agency: 103 Department of Commerce
Budget Period: 2015-17

Outcome Measures		001148	Businesses expanded: Number of businesses which have been in operation in the state for at least 12 months and which are now expanding with ADO direct assistance. Expansion may include new job creation, new revenue creation, expansion of physical facilities		
				<u>FY 2016</u>	<u>FY 2017</u>
PL	B0	Reduce Associate Dev Org Funding		(5.00)	(5.00)
Outcome Measures		001149	Jobs Created refers to new jobs created at businesses directly assisted by the ADO. Jobs Retained refers to the number of jobs which would likely end in the next 12 months but were kept with the ADOs direct assistance.		
				<u>FY 2016</u>	<u>FY 2017</u>
PL	B0	Reduce Associate Dev Org Funding		(20.00)	(20.00)
PL	N2	Tribal Economic Dev Specialist		10.00	20.00
Output Measures		001810	34 Number of leads generated		
				<u>FY 2016</u>	<u>FY 2017</u>
PL	N2	Tribal Economic Dev Specialist		3.00	4.00
Output Measures		001812	34 number of active cases		
				<u>FY 2016</u>	<u>FY 2017</u>
PL	N2	Tribal Economic Dev Specialist		4.00	6.00
Activity: A168		Asset Building for Working Families			
PL	A4	Eliminate Family Prosperity Account	No measures linked to decision package		
Activity: A171		Global Trade and Investment Services			
Outcome Measures		001140	Commerce received 393 export assistance requests from 212 companies in the first quarter of the fiscal year 2013.		
				<u>FY 2016</u>	<u>FY 2017</u>
PL	N3	Foreign Direct Investment		40.00	40.00
Outcome Measures		001500	Washington companies reported \$203.3 million in Commerce-assisted export sales, supporting nearly 1,100 jobs.*This figure was arrived at using the U.S. Dept. of Commerce jobs multiplier of \$185,000 in export sales equaling one job.		
				<u>FY 2016</u>	<u>FY 2017</u>
PL	N3	Foreign Direct Investment		50.00	50.00

**Agency Performance Measure
Incremental Estimates for the Biennial Budget**

Agency: 103 Department of Commerce

Budget Period: 2015-17

Activity: A177 Criminal Justice Investments

Outcome Measures 001324 Number of drug trafficking/gang organizations disrupted/dismantled in counties served by Commerce funded programs.

				<u>FY 2016</u>	<u>FY 2017</u>
PL	A9		Reduce State Drug Task Forces	10.00	10.00

Activity: A179 New Americans

Output Measures 001100 Number of program participants completing N-400 applications for citizenship.

				<u>FY 2016</u>	<u>FY 2017</u>
PL	A7		Reduce WA New Americans Program	(1,120.00)	0.00

Activity: A184 Sector Leads

Outcome Measures 002631 Growth in total combined gross income for businesses in key industry sectors, exported quarterly by the businesses to the Washington State Department of Revenue.

				<u>FY 2016</u>	<u>FY 2017</u>
PL	N1		Sector Economic Development	6.54%	6.54%

Outcome Measures 002632 Growth in employment for businesses in key industry sectors, reported quarterly by the businesses to the Washington State Employment Security Department.

				<u>FY 2016</u>	<u>FY 2017</u>
PL	N1		Sector Economic Development	3.37%	3.37%

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Department of Commerce

Activity Inventory Indirect Cost Allocation Approach

Allocation Method Description: Total Indirect costs are allocated to activities based on Salaries and Benefits in each activity. (Data shown is allotment information through Operating Legislative Allotment Reductions packet, July 10, 2014).

Activity	Activity Name	% Allocation	Dollars Allocated FY16	Dollars Allocated FY17	Total Dollars Allocated Biennium
A003	Community Services Block Grant	5.3%	360,782	341,435	702,217
A005	Developmental Disabilities Council and Endowment	1.9%	127,360	127,360	254,720
A007	Streamline Housing and Community Development	0.8%	34,636	65,074	99,710
A008	Services to Crime Victims	3.7%	243,715	242,762	486,477
A011	Strengthening Criminal Justice	2.6%	176,209	166,396	342,605
A013	Low-Income Home Energy Assistance Program	2.9%	172,515	210,637	383,152
A019	Train and Maintain Volunteers Supporting Community Capacity	2.5%	166,081	166,081	332,162
A025	Agency Administration	2.6%	177,069	168,307	345,376
A035	Community Economic Revitalization Board and Program	1.3%	74,263	95,550	169,813
A049	State Energy Policy	4.8%	299,689	331,990	631,679
A050	Broadband Capacity Building	1.3%	128,675	42,175	170,850
A064	Lead-Based Paint Hazard Mitigation	2.1%	174,838	97,925	272,763
A065	Improve and Preserve the Affordability of Housing	5.9%	324,225	460,548	784,773
A068	Mobile Home Relocation Assistance	0.3%	25,156	18,541	43,697
A092	Bond Cap Allocation Program for Tax Exempt Financing Authorization	0.5%	31,400	31,400	62,800
A096	Community Development Block Grant (CDBG)	3.9%	258,721	263,339	522,060
A100	Drinking Water System Grants and Loans	0.3%	42,771	-	42,771
A104	Growth Management	5.9%	392,337	394,264	786,601
A106	Local Government Fiscal Notes	1.2%	75,731	77,522	153,253
A113	Public Works Infrastructure Grants and Loans	5.1%	326,675	352,146	678,821
A157	Homeless Housing and Assistance	7.1%	470,515	478,017	948,532
A159	Affordable Housing Development	11.7%	734,754	816,682	1,551,436
A163	Business Development	7.0%	496,179	435,423	931,602
A167	Economic Development - Business Loans	0.4%	18,756	28,068	46,824
A171	Global Trade and Investment Services	4.4%	291,447	291,721	583,168
A175	Washington Economic Development Commission	0.1%	13,334	-	13,334
A177	Criminal Justice Investments	1.3%	82,310	90,112	172,422
A179	New Americans	0.0%	2,108	4,217	6,325
A180	American Recovery Act Funding	0.1%	12,553	6,015	18,568
A182	Municipal Research and Services Center (MRSC)	1.3%	90,367	80,189	170,556
A183	Public Facilities District Independent Financial Feasibility Reviews	0.0%	2,237	1,740	3,977
A184	Sector Lead	2.0%	103,015	158,603	261,618
	Non-Appropriated Non Budget	0.1%	-	11,088	11,088
	Capital Budget	9.8%	708,760	595,764	1,304,524
Total		100.0%	6,639,183	6,651,091	13,290,274

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Department of Commerce

Enterprise Risk Management Update

As a part of the 15-17 biennial budget preparation, we met with the management team of each of our divisions to identify potential barriers that could keep us from achieving specific goals and objectives. We combined what we heard from each of the divisions and looked at these risks from an enterprise perspective. As one might expect, there were several subjects that were very specific to individual programs, but there were also several that reached across the agency and could impact all of our programs. For this report, we have identified three risks that we believe are enterprise level risks, along with the initiatives we have to address them.

Changing Federal Requirements and audit liability

In the 13-15 biennium, Commerce had \$390,901,547 in federal funding, which represents over half of our operating budget. If we do not comply with Federal requirements, this funding may be at risk. Along with this, state funds that are used to meet matching requirements are also subject to the Federal requirements of the programs they support. Over the past several years, the Federal Office of Management and Budget has been working on a streamlining effort that combines eight separate circulars on cost principles into one Super Circular. This Federal cost circular is effective for periods beginning December 26, 2014. To manage the risk of non-compliance and audit liability, Commerce has initiated a lean, problem solving effort led by our internal auditor and including program staff. Additionally, we have planned training for program managers and key staff that work with Federal programs.

Loss of key staff

Our people are our most valuable resource and essential to our ability to accomplish our mission and goals. When we lose key staff, we put at risk the delivery of funding and services to communities and businesses. In evaluating enterprise-level risks, we find that retention of key staff is one of our top concerns. In the coming biennium, we will undoubtedly face loss of staff both due to retirements and to other, higher paying job offerings. To help manage this risk, we will establish a program that includes succession planning, gap analysis and professional development. We will also review our classification and compensation practices to ensure we are making the best use of the tools we have available to us to develop and retain experienced, high-performing employees.

Decreased ability to support vulnerable populations and economic growth

Funding reductions will limit our ability to provide services to vulnerable populations, local governments, and businesses. This will have a negative effect on quality of life and economic growth. To manage this risk we will focus on strengthening our partnerships with communities and service providers. We will also continue our work internally to improve our processes and to develop an entrepreneurial culture that supports creative solutions to complex problems.

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Department of Commerce
Innovation is in our nature.

Department of Commerce Strategic Plan

2015-2017

September 2014
Brian Bonlender, Director



Washington State Department of Commerce
Office of External Relations
1011 Plum St. SE
P.O. Box 42525
Olympia, WA 98504-2525
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For people with disabilities, this report is available on request in other formats. To submit a request, please call 360-725-4000 (TTY 360-586-0772).

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Overview

The Department of Commerce is an agency with diverse responsibilities that have expanded and contracted over the past 25 years to meet the needs and priorities of state government and the people it serves. Beginning with a merger of the community development and trade departments in the late 1980s, and continuing with name changes, realignments, and the addition and removal of other statewide programs, Commerce has developed broad programmatic expertise in supporting businesses, communities, and local governments. Commerce is nothing if not flexible, responsive, and efficient.

This diversity of programs means Commerce plays a unique role in Governor Inslee's performance management initiative *Results Washington*. This systematic approach to management uses specific goals, values, and missions to frame outcomes and develop measures to evaluate progress. Creating and supporting a culture of continuous improvement is central to *Results Washington* and to Commerce.

Results Washington Goals

1. World Class Education
2. Prosperous Economy
3. Sustainable Energy and a Clean Environment
4. Healthy and Safe Communities
5. Efficient, Effective, and Accountable Government

Commerce programs directly affect all goal areas except World Class Education. Commerce subject matter and management experts have helped develop objectives and evaluation metrics for each of the other areas. In particular, Commerce Director Brian Bonlender co-leads the development and implementation of the Governor's second goal area, Prosperous Economy.

Commerce Mission and Values



Who We Are, What We Do

Commerce's diverse responsibilities – the department administers more than 100 distinct programs – require providing a variety of services to a broad group of customers, which can be segregated into three main categories:

- Businesses
- Local governments
- Communities

Services include direct and indirect funding, technical assistance, and planning and policy assistance, all of which have a far-reaching impact on Washington businesses, local governments and communities. Commerce distributes funding through more than 6,000 grants, loans, or contracts each year. More than 300 employees in the main office in Olympia and satellite offices in Spokane and Seattle deliver Commerce services.

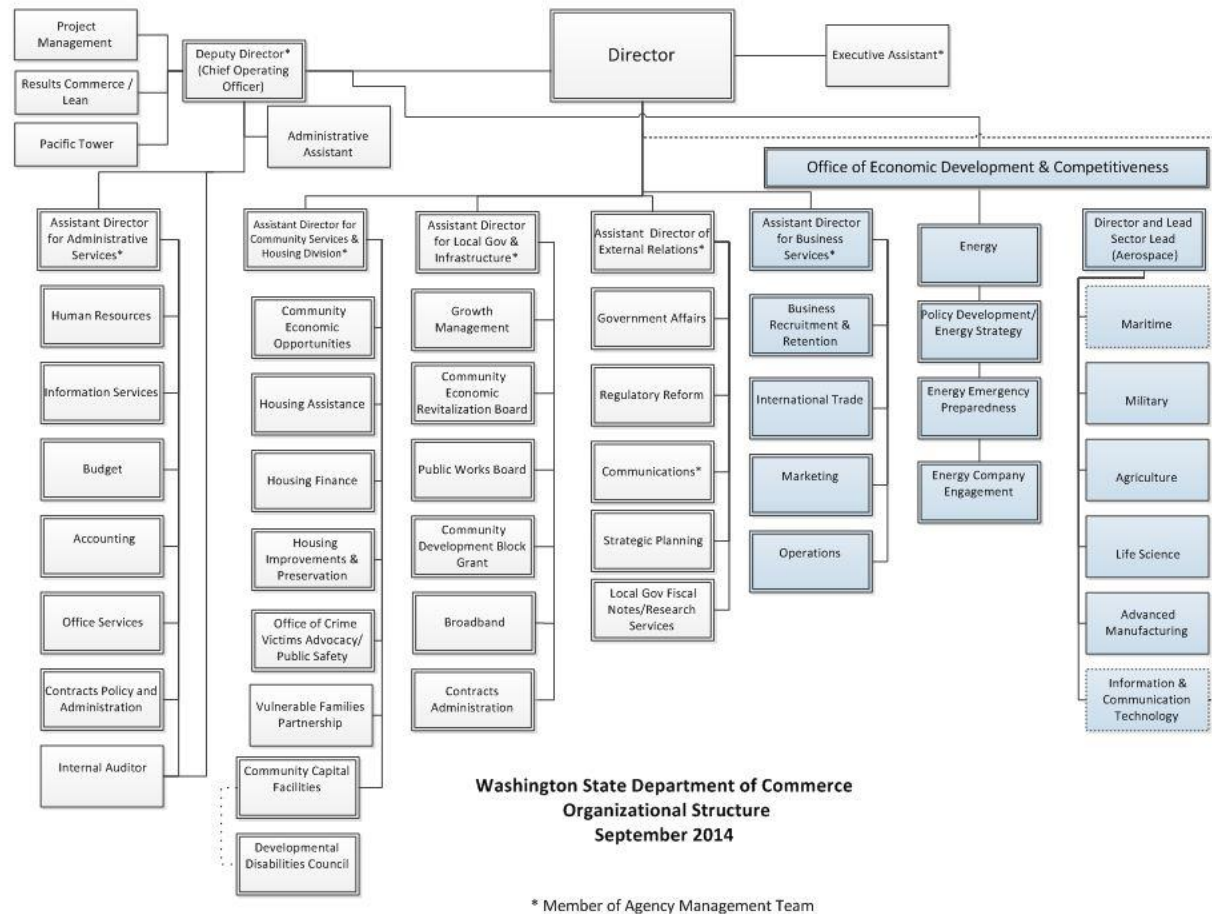
Commerce's diverse programs and responsibilities also create an array of stakeholders who have a financial, policy, operational, or combination of interests. Examples of Commerce stakeholders include:

- Washington State Association of Counties
- Association of Washington Cities
- Association of Washington Businesses
- Washington State Community Action Partnership
- Public and investor-owned utilities
- Building Industry of Washington
- Washington Association of Prosecuting Attorneys

One of Director Bonlender's first steps in early 2013 was to reorganize the department to better align Commerce with its priority activities – including achieving the Governor's goal of a Prosperous Economy. These changes included the creation of a new Office of External Relations, expanded management responsibilities for the Deputy Director, and the development of a sector-based approach to economic development and job creation. The new sector leads plan and implement strategies to enhance the state's economic status in the following industry sectors.

- Aerospace
- Agriculture
- Clean Technology
- Information and Communication Technology
- Life Sciences
- Maritime
- Military
- Tourism

Commerce Organizational Structure



Challenges and Opportunities

Increased Demand for Services, Decreased Funding

For Commerce and state government in general, the recent recession resulted in increased demand for services – particularly those affecting low-income residents of communities statewide – combined with decreases in state funding for programs and administration. Although Washington is recovering from the lingering recession, state resources lag behind the economic growth, and individuals and communities still suffer from elimination or reduction of Commerce programs.

A strong recovery is characterized by job growth, which is a major priority of the Governor. Commerce's depth of experience and entrepreneurial culture has enabled the agency to maintain assistance for new and expanding businesses in the state. However, insufficient resources limit reaching full potential for job creation.

Internal Capacity

Commerce's internal capacity is related to the increased demand for services and decreased funding. Commerce has responded to the current budget environment through administrative consolidation and efficiency improvements, development of leveraged partnerships, and consolidation and expansion of staff duties. When those efforts are not sufficient, direct cuts to programs and personnel are the remaining options. Commerce makes every effort to minimize program cuts, and further budget reduction will stress program administration infrastructure.

Since Commerce is largely a "pass-through" agency, its programs are also affected by fluctuations in federal funding. The downward trend in federal funding, particularly since the expiration of the 2009 American Recovery and Reinvestment Act, exacerbates Commerce's ability to provide the services that businesses, local governments, and communities need to grow and prosper.

How Commerce is Improving Performance

Lean

Commerce introduced Lean management principles into its work culture in the mid-2000s and has realized the performance benefits ever since. When Governor Inslee incorporated Lean principles into *Results Washington*, Commerce was ready to apply Lean thinking and tools, report regularly on progress on the Governor's five goal areas, and make improvements to deliver results for the citizens of Washington.

Lean principles help Washington State:

- Create a culture that encourages respect, creativity and innovative problem solving.
- Continuously improve and eliminate waste from government processes.
- Align efforts across state agencies.
- Deliver results that matter to Washingtonians.

Results Commerce

Once the Inslee administration established *Results Washington* as its performance management system, Commerce quickly took the lead among state agencies in developing a performance structure that directly corresponded to both the Governor's new system and its goals.

Through a consultant-led process that directly or indirectly involved the entire agency, Commerce developed and is continually expanding and improving *Results Commerce*.

The *Results Commerce* **goals** are an expression of the mission and purpose of the agency.

- Entrepreneurial Agency Culture
 - Commerce will encourage and develop staff to be subject-matter experts and leaders in state government – creating a culture that takes data-driven, measured risks, and advances innovative and creative solutions that maximize taxpayer dollars and improve efficiencies for the agency and partners.
- Conscientious Stewardship
 - Commerce will show great care, attention, and industriousness in the responsible planning and management of valuable taxpayer resources.
- Strong Partnerships
 - Commerce will meet or exceed expectations of our stakeholders, partners, and citizens by advancing clear, timely, and effective communications and services. We will inform and empower them to be agents for change – helping identify and remove road-blocks to success, and achieve goals.
- Reliable and Sustainable Infrastructure
 - Commerce will maximize Washington’s ability to provide affordable, ecologically sound, safe, and sustainable transportation and public infrastructure.
- Vibrant Communities
 - Commerce will expand opportunities for low- and moderate-income households by advancing policies and programs that enable prosperity and success – as well as empowering local communities to build and maintain the capacity to meet the social, educational, health, economic, and quality of life needs of all residents.
- Growing Economies
 - Commerce will pursue policies and initiatives to encourage sustainable economic growth that helps support living-wage jobs, builds diversified, cutting-edge businesses, workers and leaders that excel on a local, national and global scale.

Results Commerce **outcomes** align to the goals and are indicators of progress in achieving the goals.

- Engaged Employees
 - Employees who are proactive, offer ideas for improvement, take initiative, and demonstrate a willingness to work across program lines. Employees who bring his or her “best self” to work, are fully present and enthusiastic about their work, AND take positive action to further Commerce’s reputation and interests.
- Optimized Operations
 - Optimized operations are cost effective, include innovative approaches, demonstrate Lean attributes, and achieve the planned results.
- Engaged Stakeholders
 - Stakeholder engagement means implementing an agency-wide strategic approach to identify, map, and analyze our stakeholders, so that we can ensure transparent, fair, and consistent interactions. A stakeholder is anybody who is

interested in, can affect, or is affected by our agency, strategies, programs or projects, or has the power to respond, negotiate or change the future of our work.

- Decreased Carbon Footprint
 - We work with state agencies, utilities, regulatory groups, research institutions, private businesses, and other stakeholders to support and fund: energy conservation, energy efficiency, and renewable energy production in Washington State.
- Increased Investment in Washington State
 - Commerce stimulates investment in Washington State in two ways. The first is through providing pass-through grants and loans to communities. The second is to assist communities, businesses, and government organizations who wish to invest in Washington State with either private or public money, often with no direct financial investment by Commerce.
- Equitable Resources for Disadvantaged Areas and Populations
 - The department is responsive to the needs of all populations, and resources are targeted effectively to ensure access by those with the greatest unmet needs.
- Build and Maintain Local Capacity
 - Develop and sustain the ability of people and communities to meet their social, economic, health, environmental, and safety needs.
- Healthy Economic Climate
 - Commerce contributes to a healthy economic climate through attracting private and making public investments to create jobs.

To provide better assistance to businesses, local governments and communities, Commerce developed core processes that measure funding, reporting, policy, technology and performance to support and improve outcome achievement. The 13 processes are divided into two categories: operating and supporting.

Operating Processes

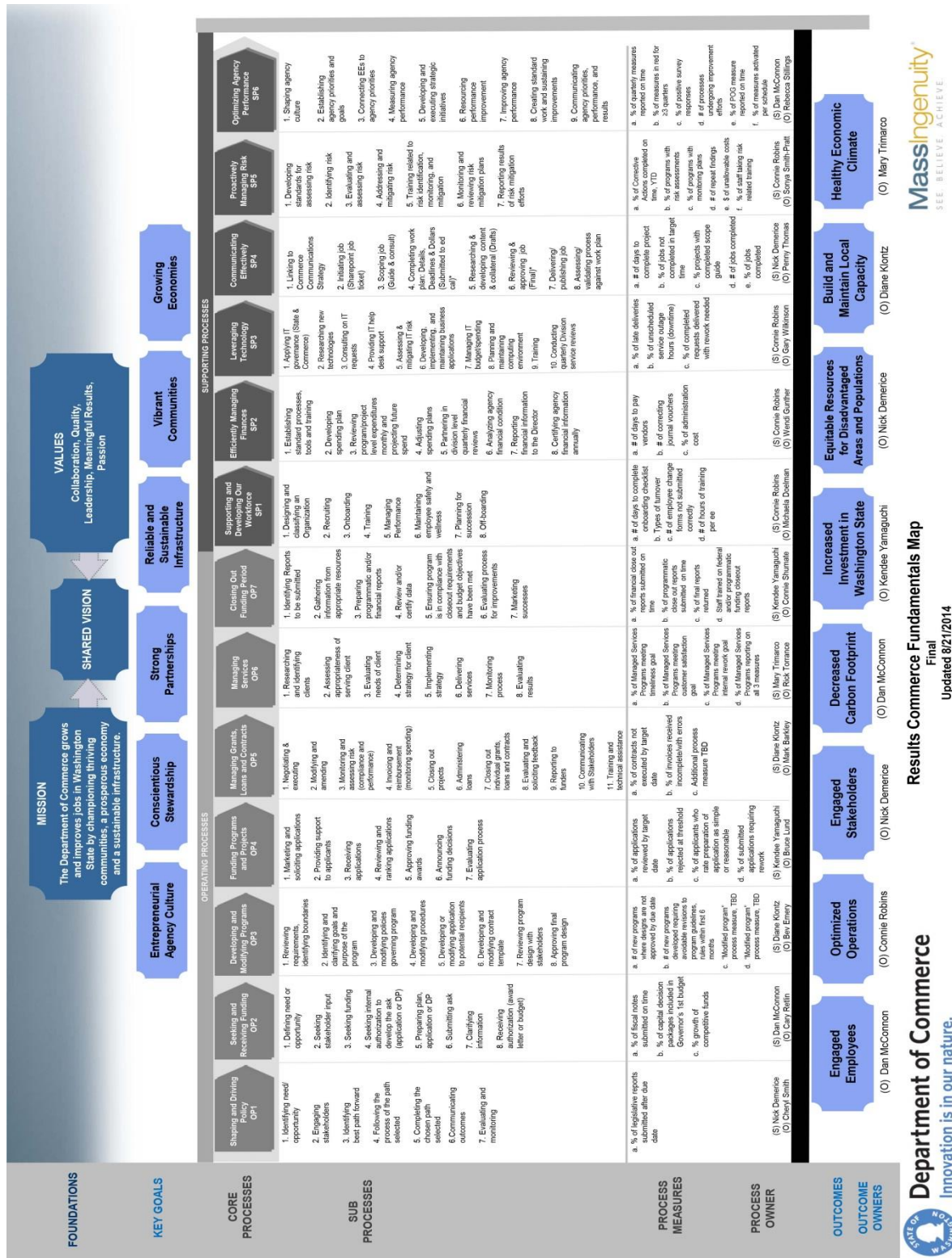
- Shaping and Driving Policy
- Seeking and Receiving Funding
- Developing and Modifying Programs
- Funding Programs and Projects
- Managing Grants, Loans, and Contracts
- Managing Services
- Closing Out Funding Period

Supporting Processes

- Supporting and Developing Our Workforce
- Efficiently Managing Finances
- Leveraging Technology
- Communicating Effectively
- Proactively Managing Risk
- Optimizing Organizational Performance

The core of this management approach is clear direction through goals and outcomes, strategic selection of priorities, and constant performance improvement, so it is essential that progress be measured and that decisions are data-driven. To institutionalize this practice, Commerce conducts quarterly meetings called Quarterly Target Reviews. Each measure is reviewed for its status against the ranges and targets. Potential actions to improve a measure are discussed, as is progress on outcomes.

Results Commerce Fundamentals Map



Strategic Approaches

For 2015-2017 biennium, Commerce is focused on enhancing a culture of continuous improvement, measuring and using data to drive decisions, and being strategic in efforts to improve outcomes for businesses, local governments, and communities. In this plan, key strategic approaches are organized by customer group, which is reflective of Commerce's customer-oriented style of service delivery. Commerce strategic approaches align with multiple *Results Commerce* goals; *for simplicity, the primary goal is identified.*

Supporting and Assisting Businesses – *Healthy Economic Climate*

Creating new jobs through the expansion and retention of existing businesses and recruitment of new businesses is a top priority for Commerce. Commerce encourages job growth through regulatory streamlining, meeting the needs of businesses and the industry sectors, and expanding the state's capacity in energy technology. Key strategic approaches for business customers center on improving the state economic environment, investing in industry sector development, and increasing exporting opportunities.

Key Strategic Approaches

- Improve the economic environment
- Develop industry sectors
- Expand exporting opportunities
- Infrastructure

Supporting and Assisting Local Governments – *Reliable and Sustainable Infrastructure*

The lingering effects of the recent recession negatively influence the maintenance and development of basic community facilities and infrastructure. Land use planning is increasingly important as communities try to improve transportation, and understand and implement policy initiatives. Key strategic approaches for local government customers include enhancing Commerce's capacity to provide planning and other technical assistance, and increasing investment in local infrastructure construction projects.

Key Strategic Approaches

- Improve local government planning and technical assistance
- Increase investment in public infrastructure

Supporting and Assisting Communities – *Vibrant Communities*

Healthy and safe communities and a healthy economy are interconnected and interdependent – one cannot prosper without the other. The recession resulted in diminished resources for individuals and communities. Communities also face a corresponding rise in demand for services for lower-income and vulnerable citizens. Strategic approaches for communities include investing in affordable housing and community facilities, increasing the percentage of individuals who leave public assistance due to improved job skills, decreasing homelessness through rapid rehousing, improving community safety, and assisting Tribal communities in developing prosperous economies.

Key Strategic Approaches

- Assist development of affordable and emergency housing
- Increase investment in community facilities
- Assist Tribal economic development efforts
- Improve stability and self-sufficiency for low-income individuals and families
- Improve safety through crime prevention and services to victims

Alignment of Strategic Approaches with *Results Washington* Goals

Commerce Strategic Approaches	<i>Results Washington</i> Goal
Improve the economic environment Develop industry sectors Expand exporting opportunities and FDI Assist Tribal economic development efforts	Goal 2: Prosperous Economy
Develop industry sectors Improve local government planning and technical assistance	Goal 3: Sustainable Energy and a Clean Environment
Assist Tribal economic development efforts Assist in the development of affordable and emergency housing Increase investment in public infrastructure Improve stability and self-sufficiency for low-income individuals and families Improve safety by preventing crime and providing services to victims	Goal 4: Healthy and Safe Communities
Improve local government planning and technical assistance Increase investment in public infrastructure	Goal 5: Effective, Efficient and Accountable Government

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Recommendation Summary

Agency: **103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2013-15 Current Biennium Total	274.0	126,940	392,862	519,802
CL CF Carry Forward Level	(5.0)	663	(3,046)	(2,383)
Total Carry Forward Level	269.0	127,603	389,816	517,419
Percent Change from Current Biennium	(1.8)%	.5%	(.8)%	(.5)%
Carry Forward plus Workload Changes	269.0	127,603	389,816	517,419
Percent Change from Current Biennium	(1.8)%	.5%	(.8)%	(.5)%
M2 8L Lease Rate Adjustments		140	315	455
M2 90 Maintenance Level Revenue				
M2 9E Other Fund Adjustments			(38,651)	(38,651)
Total Maintenance Level	269.0	127,743	351,480	479,223
Percent Change from Current Biennium	(1.8)%	.6%	(10.5)%	(7.8)%
PL A0 Eliminate Advanced Planning Grant	(0.3)	(2,500)		(2,500)
PL A1 Reduce Communications and Outreach	(0.6)	(132)		(132)
PL A2 Reduce Local Govt Fiscal Note Prog	(0.1)	(24)		(24)
PL A3 Eliminate Evergreen Jobs Program	(0.1)	(27)		(27)
PL A4 Eliminate Family Prosperity Account		(467)		(467)
PL A5 Reduce NW Ag Business Center Funds		(281)		(281)
PL A6 Reduce Walla Walla CC Env Center		(600)		(600)
PL A7 Reduce WA New Americans Program	(0.2)	(634)		(634)
PL A8 Reduce Retired Senior Volunteer Pro		(92)		(92)
PL A9 Reduce State Drug Task Forces		(192)		(192)
PL B0 Reduce Associate Dev Org Funding		(295)		(295)
PL B1 Reduce Dispute Resolution Centers		(151)		(151)
PL B2 Reduce Homeless Assistance		(1,130)		(1,130)
PL B3 Reduce Long Term Care Services		(222)		(222)
PL B4 Reduce Community Svcs Block Grant	(0.1)	(336)		(336)
PL B5 Reduce Victim/Witness Services	(0.4)	(448)		(448)
PL B6 Reduce Crime Victim Services	(0.1)	(134)		(134)
PL B7 Reduce Sexual Assault Services	(0.8)	(2,327)		(2,327)
PL B8 Reduce Domestic Violence Victim Svc	(0.2)	(296)		(296)
PL B9 Reduce Energy Office Funding	(0.3)	(99)		(99)
PL C0 Reduce Housing and Essential Needs	(0.1)	(7,497)		(7,497)
PL N0 Homeless School Children		15,000		15,000

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
PL N1 Sector Economic Development	2.0	514	200	714
PL N2 Tribal Economic Dev Specialist	1.1	308		308
PL N3 Foreign Direct Investment		250		250
PL N4 Growth Management Plan Updates	6.7	3,050		3,050
PL N5 Enterprise Regulatory Improvement	0.5	150		150
PL P0 Maximize Economic Dev Opportunities	2.2		598	598
PL P1 PWAA Local Project Assistance	3.4		794	794
PL P2 Transfer Dev Disabilities Council	(10.0)	(114)	(3,218)	(3,332)
Subtotal - Performance Level Changes	2.6	1,274	(1,626)	(352)
2015-17 Total Proposed Budget	271.6	129,017	349,854	478,871
Percent Change from Current Biennium	(.9)%	1.6%	(10.9)%	(7.9)%

M2 8L Lease Rate Adjustments

The Department of Commerce leases space in Thurston County (Olympia Town Square) and Seattle (Westin 26th and 27th floor). The lease costs for these two buildings will increase in the next biennium. In order to maintain the Department of Commerce's operations without interruption, the department will need to fulfill these lease requirements.

M2 90 Maintenance Level Revenue

Summary of agency revenue at maintenance level.

M2 9E Other Fund Adjustments

Commerce is requesting expenditure authority adjustments for the 2015-17 biennium for several accounts to reflect available revenue.

PL A0 Eliminate Advanced Planning Grant

To satisfy OFM's 15 percent agencywide reduction target, this proposal eliminates funding for advanced planning grants. Advanced planning grants have supported environmental permitting activities around manufacturing for aerospace and other key economic growth centers. Elimination of this funding creates additional available state funding that could be used to reduce the impacts of budgetary reductions to other services that are imperative to meet the Department of Commerce's goals and outcomes to better serve the citizens of Washington.

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual	General		
	Average FTEs	Fund State	Other Funds	Total Funds

PL A1 Reduce Communications and Outreach

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for communication and outreach that supports events and trade missions, social media, copywriting, and project management. This will reduce Department of Commerce's ability to provide support for economic development speeches, presentations, events and special projects, such as the Choose Washington recruitment magazine and some internal Commerce events. Some functions can be shifted to other BSD staff, but at a greatly reduced rate. Economic development capacity in the area of communication and outreach, including to our associate economic development organization partners, will be lost or diminished.

PL A2 Reduce Local Govt Fiscal Note Prog

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Local Government Fiscal Note Program (LGFN) in the 2015-17 biennium which will affect the quality and timeliness of the fiscal notes produced by the program. The LGFN program produces fiscal notes at the request of the Legislature during session, and provides fiscal analysis about upcoming legislation and initiatives for the legislative and executive branches outside of session. LGFN's goal is to provide objective, timely, accurate, and thorough fiscal analysis that allows policymakers to make data-driven decisions regarding proposed legislation involving local governments.

PL A3 Eliminate Evergreen Jobs Program

To satisfy OFM's 15 percent agencywide reduction target, this proposal eliminates funding for the Evergreen jobs program. Washington's Evergreen Jobs Act (ESSHB 2227) assigned the Evergreen Jobs Leadership Team the responsibility of fulfilling the goals of the act, including coordination of Washington's efforts to secure federal training funds for the green economy. Commerce used this funding to provide technical assistance or directly contribute to grants applications on renewable energy projects and veterans' employment projects. Eliminating of this program will reduce our ability to pursue those grants

PL A4 Eliminate Family Prosperity Account

To satisfy OFM's 15 percent agencywide reduction target, this proposal eliminates the Family Prosperity Account (FPA). This program cannot sustain effective service levels with additional budget reductions and is therefore recommended for elimination. Although this program has positive impacts on the financial literacy and growth of low income individuals, the services provided through the FPA are not essential to supporting the immediate needs of low income individuals and families in crisis. Due to concerns with program sustainability and the priority of these services in comparison to other immediate need services provided by the Department of Commerce, FPA elimination is recommended.

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual	General		
	Average FTEs	Fund State	Other Funds	Total Funds

PL A5 Reduce NW Ag Business Center Funds

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Northwest Agriculture Business Center (NABC) by 80 percent. The NABC works to improve the economic viability of agriculture within northwest Washington by providing a range of services to assist farmers in converting commodity production into value-added products and assisting in bringing the farm to market. Washington State has supported the NABC since 2006. The NABC provides support to farmers within five Washington counties.

PL A6 Reduce Walla Walla CC Env Center

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Walla Walla Community College Water and Environmental Center grant to 20 percent of the current funding level. This grant provides funding to assist the Center with program development, including outreach, curriculum, strategies, and related planning goals of the school. Reducing this funding creates additional available state funding that could be used to reduce the impacts of budgetary reductions to other services that are imperative to meet the Department of Commerce's goals and outcomes to better serve the citizens of Washington.

PL A7 Reduce WA New Americans Program

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Washington New Americans Program (WNAP) which assists legal immigrants navigating through the naturalization process and gaining citizenship. WNAP is recommended for an 80 percent reduction due to the priority of the services the program provides in comparison to more immediate need programs administered by the Department of Commerce.

PL A8 Reduce Retired Senior Volunteer Pro

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Retired Senior Volunteer Program (RSVP) by 15 percent resulting in fewer volunteers trained that support a variety of community based programs. This reduction also includes a reduction in the program's proportionate share of division operations support.

PL A9 Reduce State Drug Task Forces

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to the multi-jurisdictional State Drug Task Forces that disrupt and dismantle gangs and illegal drug organizations. This proposed 15 percent reduction will result in a loss of two investigative positions at local law enforcement agencies and approximately seven fewer disruptions of at least five gang or drug organizations. This reduction also includes a reduction in the program's proportionate share of division operations support.

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual	General		
	Average FTEs	Fund State	Other Funds	Total Funds

PL B0 Reduce Associate Dev Org Funding

To satisfy OFM's 15 percent agencywide reduction target, this reduction proposal recognizes the importance of the relationship the department has with the Associate Development Organization (ADO) network by recommending a five percent (rather than 15 percent) reduction to the funding appropriated to the ADOs. One of the most widely understood lessons of economic development efforts is that state government cannot do all that is required to bolster a state's economy. In order to maximize the effectiveness of our efforts we rely on our partnerships with local communities and the ADO network.

PL B1 Reduce Dispute Resolution Centers

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to Dispute Resolution Centers (DRC). DRC support community efforts to provide low-cost mediation services to resolve disputes between parties and prevent additional costs to courts. This proposed reduction will result in decreased services, fewer resolved cases, and less trained mediators. This also includes a reduction in the program's proportionate share of division operations support.

PL B2 Reduce Homeless Assistance

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces homeless assistance (HA) funding, resulting in 773 fewer homeless people receiving emergency assistance annually and 154 additional homeless people living outside at a point in time.

The Consolidated Homeless Grant (CHG) combines state resources into a single grant for local providers to support an integrated system of housing assistance. CHG funds prevent homelessness and secure permanent housing for needy households (those who are homeless or at imminent risk of becoming homeless). Local support has already been reduced due to a decline in the document recording fees collected by counties.

PL B3 Reduce Long Term Care Services

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Long-term Care Ombuds Program (LTCOP) and Adult Family Home (AFH) program by 10 percent. These programs meet immediate needs of individuals by advocating on behalf of and protecting residents of long-term care facilities from abuse, neglect, and exploitation. These resources are vital to the health and safety of Washington residents, and any budgetary reductions should be as minimal as possible.

PL B4 Reduce Community Svcs Block Grant

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Community Services Block Grant (CSBG) by 15 percent. CSBG provides funding support to the Community Action Network which provides services to reduce poverty. This reduction also includes a reduction in the program's proportionate share of division operations support.

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual	General		
	Average FTEs	Fund State	Other Funds	Total Funds

PL B5 Reduce Victim/Witness Services

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to the Victim/Witness Assistance Program (VWA). In 2013, county prosecutors' offices reported that the VWA helped in the prosecution and/or resolution of 21,362 crimes. VWA provided 99,114 contacts with victims and witnesses during 2013. If this proposed reduction is taken, victim/witness assistance will not be provided in approximately 3,204 criminal cases and assistance to an estimated 14,867 victim contacts from 38 prosecutors' offices across the state will not be provided. This reduction also includes a reduction in the program's proportionate share of division operations support.

PL B6 Reduce Crime Victim Services

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to the Crime Victims Service Center (CVSC) program by 10 percent. Without this funding, approximately 5,980 hours of advocacy services will not be provided to about 1,005 victims by advocates at 45 agencies across the state per year. This reduction also includes a reduction in the program's proportionate share of division operations support.

PL B7 Reduce Sexual Assault Services

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Sexual Assault Services program by 15 percent. This program provides comprehensive crisis intervention, advocacy, and therapeutic services to more than 13,000 sexual assault and abuse victims and their families each year. This reduction will result in lost services for approximately 4,063 victims of sexual assault and reduce funding for program administration at the Department of Commerce. Reductions in program administration costs will result in reduced staff support and fewer on-site monitoring visits. This reduction also includes a reduction in the program's proportionate share of division operations support.

PL B8 Reduce Domestic Violence Victim Svc

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for Domestic Violence Victim Advocacy (DVLA) services 10 percent. The recent "Crime in Washington" report stated more than 46,000 domestic violence offenses including 43 murders occurred in Washington in 2013. Lack of advocacy and safety planning for Domestic Violence Protection Order petitioners is a critical gap in the protections available to victims. This will result in a loss of approximately 9,000 hours of legal advocacy services for 1,500 clients by 48 community-based organizations across the state per biennium and reduces the program's proportionate share of division operations support.

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual	General		
	Average FTEs	Fund State	Other Funds	Total Funds

PL B9 Reduce Energy Office Funding

To satisfy OFM's 15 percent agencywide reduction target, this proposal decreases funding and staff time in the Energy Office and will result in less direct participation and support for secondary activities related to Results Washington and the State's energy priorities, especially those related to coal-fired electricity and clean transportation. The Department of Commerce will have less staff time available to work with the Utilities and Transportation Commission (UTC) on efforts to decrease coal use by state utilities and have very limited staff time available to work with Department of Transportation (WSDOT) on efforts to create vehicle electrification statewide.

PL C0 Reduce Housing and Essential Needs

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Housing and Essential Needs (HEN) program by 13 percent, resulting in 580 people who will not be served with rent assistance each month. HEN provides rent assistance and essential needs through a statewide network of nonprofit and local government housing providers. Because recipients are disabled, unable to work, and are homeless or at imminent risk of homelessness, a reduction could lead to some clients being hospitalized or dying of exposure. This also includes a reduction in the program's proportionate share of division operations support.

PL N0 Homeless School Children

This \$15 million package will house 2,800 school children currently experiencing homelessness. In order to fully serve the needs of 5,200 homeless school children, approximately \$35.5 million would be required for the 2015-17 biennium. However, in consideration of projected state budget constraints, this request is submitted for \$15 million.

Critical to the success of this package is at least \$2 million (matched by private philanthropic contributions) necessary to continue the work of the Washington Families Fund (WFF). The WFF leads system change with innovative housing models and research that has directly supported the success of the state's rapid rehousing initiatives.

PL N1 Sector Economic Development

Recognizing intense competition for jobs and capital, Washington launched a sector-based economic development strategy to Maximize public-private collaboration for growth in business income, company creation and employment in high-potential industries. Identified strategic growth sectors are anticipated to outpace the overall economy. Sector Leads with deep industry connections are essential links for aligning business community, local organizations, and government resources. Seeded by proviso in 2013, the program requires additional funding to keep Washington from falling behind our competitor states and nations in the race to capitalize on the full potential state economic benefit from these sectors.

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
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PL N2 Tribal Economic Dev Specialist

For some time, tribal leaders have been requesting targeted economic development assistance from Commerce. The May 2014 Governor's Tribal-State Economic Development Summit yielded several actions to advance tribal economic development. Commerce plays a key role in implementation of the action items from the Summit, as economic development is the department's responsibility. This new, dedicated technical assistance and policy position will lead efforts to support tribal economic development. In addition, this position will coordinate a tribal-state economic development committee.

PL N3 Foreign Direct Investment

The Department of Commerce requests funding to continue foreign representation in international business development for both export promotion and investment attraction. Our foreign representatives generate increased export sales by Washington small businesses and capture an ever growing number of foreign direct investment projects.

In FY13, exports contributed to Washington's economy by sales of \$203 million and projected sales of \$202 million in FY14. The majority of the business recruitment pipeline from FY13 to date consists of international companies. With 55 projects in the pipeline, 38 are international, resulting in the possibility of creating 2,675 jobs and \$4.2 billion in investment.

PL N4 Growth Management Plan Updates

Washington relies on strong communities to maintain global competitiveness. This package will provide assistance to over 125 communities in updating and implementing their comprehensive plans including those for implementation of the Puget Sound Action Agenda. It is imperative that communities' plans are kept abreast to meet the challenges of fostering a fertile business climate and addressing environmental issues including geologically hazardous areas and climate change. Updated plans create a pathway for strategic growth that enhances business opportunities. This proposal maximizes limited resources to conduct research and analysis assuring evidence based recommendations and plans that match state performance goals.

PL N5 Enterprise Regulatory Improvement

Businesses expect to conduct their transactions with the state in efficient, predictable, and consistent manners. While various regulatory streamlining efforts are underway across state government, businesses continue to ask for a consistent enterprise-wide approach. Commerce proposes to facilitate enterprise-wide adoption of best practices that can measurably reduce business time while maintaining current regulatory standards. Staff and consulting expertise will facilitate broad adoption of improvements, including creation and ongoing measurement of a regulatory process index for Results Washington, and cross-jurisdictional sector-based initiatives to achieve the goals of pilot projects outlined in HB1818 Business and Government streamlining projects in a flexible way.

Recommendation Summary**Agency: 103 Department of Commerce**

5:03:24PM

9/16/2014

Dollars in Thousands

	Annual	General		
	Average FTEs	Fund State	Other Funds	Total Funds

PL P0 Maximize Economic Dev Opportunities

The Community Economic Revitalization Board (CERB) is Washington's premier rapid response to business siting and expansion needs. This is accomplished by staying abreast of emerging opportunities then encouraging the use of CERB funds by local communities to make the opportunity a reality. CERB has worked in partnership with the Department of Commerce's Business Services Division (BSD) staff to identify qualified projects. Starting in 2009, BSD staff was reduced from nine down to zero in the 2013-15 biennium. For CERB to fulfill its legislative mandate, it is imperative that more staff be retained to facilitate communities' business development efforts.

PL P1 PWAA Local Project Assistance

The Public Works Board is established to enhance local governments' ability to manage and finance their infrastructure systems by providing easy access to resources, training opportunities, collaboration and coordination with funding partners and provide hands on assistance with project development and developing new resources. This proposal will assist 200 local governments and special purpose districts statewide to improve local knowledge of sound business practices, financing options, management approaches, and accountability/performance measurement extending the useful lives of infrastructure systems, reducing operating and capital costs, and providing residents with highly effective and accountable government systems.

PL P2 Transfer Dev Disabilities Council

This proposal transfers the Developmental Disabilities Council (DDC) and the Developmental Disabilities Endowment Trust Fund (DDETF) from the Department of Commerce into an independent office called the Office of Developmental Disabilities Council and Endowment Governing Board (Office).

The Office will be established in a new Chapter of Title 43 in state law, becoming the "designated state agency" to fulfill Washington's obligations under federal law. Draft legislation is being proposed.

The DDC and the DDETF will contract with the Small Agency Services to support human resources, budget, fiscal and payroll functions. IT and related services will be contracted for directly.

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Agency Budget Request Decision Package Summary**(Lists only the agency Performance Level budget decision packages, in priority order)****Agency: 103 Department of Commerce**

9/16/2014

5:15:53PM

Budget Period: 2015-17

Decision Package	Decision Package Title
Code	
PL-N0	Homeless School Children
PL-N1	Sector Economic Development
PL-N2	Tribal Economic Dev Specialist
PL-N3	Foreign Direct Investment
PL-N4	Growth Management Plan Updates
PL-N5	Enterprise Regulatory Improvement
PL-P0	Maximize Economic Dev Opportunities
PL-P1	PWAA Local Project Assistance
PL-P2	Transfer Dev Disabilities Council
PL-A0	Eliminate Advanced Planning Grant
PL-A1	Reduce Communications and Outreach
PL-A2	Reduce Local Govt Fiscal Note Prog
PL-A3	Eliminate Evergreen Jobs Program
PL-A4	Eliminate Family Prosperity Account
PL-A5	Reduce NW Ag Business Center Funds
PL-A6	Reduce Walla Walla CC Env Center
PL-A7	Reduce WA New Americans Program
PL-A8	Reduce Retired Senior Volunteer Pro
PL-A9	Reduce State Drug Task Forces
PL-B0	Reduce Associate Dev Org Funding
PL-B1	Reduce Dispute Resolution Centers
PL-B2	Reduce Homeless Assistance
PL-B3	Reduce Long Term Care Services
PL-B4	Reduce Community Svcs Block Grant
PL-B5	Reduce Victim/Witness Services
PL-B6	Reduce Crime Victim Services
PL-B7	Reduce Sexual Assault Services
PL-B8	Reduce Domestic Violence Victim Svc
PL-B9	Reduce Energy Office Funding
PL-C0	Reduce Housing and Essential Needs

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: 8L Lease Rate Adjustments
Budget Period: 2015-17
Budget Level: ML-Maintenance Level

Recommendation Summary Text:

The Department of Commerce leases space in Thurston County (Olympia Town Square) and Seattle (Westin 26th and 27th floor). The lease costs for these two buildings will increase in the next biennium. In order to maintain the Department of Commerce's operations without interruption, the department will need to fulfill these lease requirements.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	59,323	80,255	139,578
	001-2	General Fund-Federal	58,572	79,240	137,812
	001-7	General Fund-Priv/Loc	2,809	3,801	6,610
	058-1	Public Works Assist Acct	7,739	10,469	18,208
	05R-1	Drinking Water Assist Admin	1,640	2,218	3,858
	06K-1	Lead Paint Account	759	1,026	1,785
	084-1	Building Code Council Acct	192	260	452
	10B-1	Home Security Account	15,759	21,321	37,080
	12C-1	Affordable Housing for All Account	1,837	2,486	4,323
	150-1	Low-Inc Weatherization Asst Acct	428	578	1,006
	17L-6	Foreclosure Fairness Account-Non A	7,167	9,696	16,863
	195-6	Energy Account-Non Appr	5,846	7,908	13,754
	205-6	Mobile Home Park Reloc Acct Non-A	839	1,134	1,973
	263-1	Community/Econ Dev Fee-State	4,619	6,249	10,868
	501-1	Liquor Revolving Account-State	351	475	826
	532-1	Washington Housing Trust Account	21,067	28,502	49,569
	887-1	Public Facility Const Loan Revolv-Sta	4,304	5,823	10,127
Total Cost			193,251	261,441	454,692

Package Description:

The Department of Commerce has offices in Thurston County (Olympia Town Square) and Seattle (Westin 26th and 27th floor). The costs of these leases will increase in the next biennium and in future. The cost will increase 2.08% for Seattle rent, and 18.52% for Thurston County rent in 2015-17 biennium. In order to maintain the Department of Commerce operations without interruption, the department will need to fulfill these lease increase requirements.

Narrative Justification and Impact Statement:

Financial obligations for mandatory cost increase must be met. By approving this funding request, Commerce can continue operations without interruption of providing services to our stakeholders.

What specific performance outcomes does the agency expect?

No measures submitted for this package.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A025

Agency Activity Title: Agency Administration

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package does not link to any specific performance measures, however the funding will support the agency's operations which provide effective direction, management, and support of the agency priorities and mission to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and a sustainable infrastructure. Commerce's agency administration costs are supported by all programs and fund sources, through a combination of direct appropriation and indirect assessments.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

To be consistent with the Governor's Results Washington priorities in Goal 5: Efficient, Effective and Accountable Government, the Department of Enterprise Services negotiates and executes the lease agreements for Department of Commerce, ensuring that the department is in the most efficient and effective space to serve the public.

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

The cost of this package is considered fixed costs. There is no additional funding beyond the submittal of this package.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Services will be affected if funding is not provided. Agencywide reductions would likely affect multiple programs.

What is the relationship, if any, to the state capital budget?

Lease costs are attributed to staff working on capital projects per Commerce's cost allocation methodology. No additional funding authority to cover those costs is being requested.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package requests funding in General Fund State for lease increases of Seattle Westin and Olympia Town Square buildings for FY 2016 \$6,477 and \$213,237 respectively and for FY 2017 \$12,925 and \$284,316 respectively to maintain Commerce's operations for non-interruption of services.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a request for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A	Salaries and Wages				
B	Employee Benefits				
C	Personal Service Contracts				
E	Goods and Services	193,251	261,441	454,692	
G	Travel				
J	Capital Outlays				
T	Intra-Agency Reimbursements				
Total Objects		193,251	261,441	454,692	

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: 9E Other Fund Authority Adjustment
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Commerce is requesting expenditure authority adjustments for the 2015-17 biennium for several accounts to reflect available revenue.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
06K-1	Lead Paint Account	(5,000)	33,000	28,000
08E-1	Individual Development Account Program Acc	(39,000)	0	(39,000)
12C-1	Affordable Housing for All Account	(1,453,000)	(1,464,000)	(2,917,000)
15C-7	Washington Community Technology Opportur	(10,000)	0	(10,000)
15T-6	Broadband Mapping Account	(5,000)	0	(5,000)
15T-N	Broadband Mapping Account	(2,450,000)	(513,000)	(2,963,000)
17L-6	Foreclosure Fairness Account	(2,597,000)	(2,605,000)	(5,202,000)
18P-6	Shelter to Housing Project Account	(445,000)	(265,000)	(710,000)
150-1	Low-Income Weatherization Assistance Accou	511,000	(240,000)	271,000
195-6	Energy Account	(107,000)	0	(107,000)
205-6	Mobile Home Park Relocation Account	250,000	(289,000)	(39,000)
263-1	Community and Economic Development Fee A	(2,526,000)	137,000	(2,389,000)
532-1	Washington Housing Trust Account	(3,693,000)	(1,907,000)	(5,600,000)
759-6	Miscellaneous Program Account	(15,350,000)	(3,638,000)	(18,988,000)
777-1	Prostitution Prevention and Intervention Accou	19,000	0	19,000
Total Cost		(27,900,000)	(10,751,000)	(38,651,000)

Package Description:

Background

The Lead Paint Account (06K) provides funding for training programs and contractor certification associated with lead based paint remediation work.

The Individual Development Account Program Account (08E) provides financial counseling and other related services to low-income individuals participating in the program and for program administration purposes.

The Affordable for All Account (12C) is used for affordable housing programs.

Washington Community Technology Opportunity Account (15C) is for the operation of the community technology opportunity program which diffuses information and communications technology in local communities, particularly in underserved areas.

The Broadband Mapping Account (15T) is used to procure a geographic information system may detailing high-speed internet infrastructure, service availability, an adoption, develop an interactive website, conduct a detailed survey, etc.

The Foreclosure Fairness Account (17L) is used to protect and assist homeowners from unnecessary foreclosures.

The Shelter to Housing Project Account (18P) is for a 2-year pilot project to enable young adults to move from temporary emergency shelter housing to transitional and permanent housing throughout King County.

The Low-Income Weatherization Assistance Account (150) provides weatherization of residence of low-income persons.

The Energy Account (195) administers petroleum overcharge settlement funds received from the U.S. Department of Energy.

The Mobile Home Park Relocation Account (205) provides relocation assistance to park tenants when a mobile home park is closed or converted to another use.

The Community and Economic Development Fee Account (263) is used to charge and expend funds to cover costs for conferences, workshops, and training purposes.

The Washington Housing Trust Account (532) provides funds from the housing trust fund to finance in whole or in part any loans or grant projects that will provide housing for persons and families with special housing needs and with incomes at or below 50 percent of the median family income for the county or standard metropolitan statistical area where the project is located.

The Hanford Area Economic Investment Account (746) is only to be used pursuant to the recommendation of the committee created in RCW 43.31.425 and the approval of the director of the Department of Commerce for Hanford area revolving loan funds, Hanford area infrastructure projects, or other Hanford area economic development and diversification projects, but may not be used for government of nonprofit organization operating expenses.

The Miscellaneous Program Account (759) is a local account used by several agencies to administer their trustee activities.

The Prostitution Prevention and Intervention Account (777) provides effective prostitution prevention and intervention services, such as counseling, parenting, housing relief, education, and vocational training, that comprehensively address the problems of persons who are prostitutes and enhance the ability of persons to leave or avoid prostitution.

Current Situation

The 2015-17 Carry Forward Level (CFL) authority amounts are insufficient to cover expected available fund balances for several accounts and exceed the available fund balances for several other accounts.

Proposed Solution

Commerce requests an adjustment from the CFL authority level as follows:

Fund	CFL	Proposed Expenditures	New Authority Level
06K-1	147,000	28,000	175,000
08E-1	39,000	(39,000)	0
12C-1	11,917,000	(2,917,000)	9,000,000
15C-7	10,000	(10,000)	0
15T-6	5,000	(5,000)	0
15T-N	2,963,000	(1,580,262)	1,382,738
17L-6	14,202,000	(5,202,000)	9,000,000
18P-6	710,000	(710,000)	0
150-1	1,879,000	271,000	2,150,000
195-6	107,000	(107,000)	0
205-6	826,000	(39,648)	786,352
263-1	5,304,000	(2,388,974)	2,915,026
532-1	18,099,000	(5,600,696)	12,498,304
746-6	404,000	(289,638)	114,362
759-6	19,338,000	(18,988,000)	350,000
777-1	26,000	45,000	71,000

Narrative Justification and Impact Statement:

No measures submitted for this package.

What specific performance outcomes does the agency expect?

No measures submitted for this package.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

There is revenue to support the additional authority requested for the following activities:

Agency Activity Code: A064
Agency Activity Title: Lead-Based Paint Hazard Mitigation

Agency Activity Code: A065
Agency Activity Title: Improve and Preserve the Affordability of Housing

Agency Activity Code: A008
Agency Activity Title: Services to Crime Victims

Agency Activity Code: A005
 Agency Activity Title: Developmental Disabilities Council and Endowment

Expenditure authority for the ten activities being reduced is to stay within projected revenue levels. Details are below by activity.

Activity	Code Title	FY 2016	FY 2017
A064	Lead-Based Paint Hazard Mitigation	(5,000)	33,000
A168	Asset Building for Working Families	(39,000)	0
A159	Affordable Housing Development	(7,506,000)	(3,330,000)
A050	Broadband Capacity Building	(2,465,000)	(513,000)
A019	Train and Maintain Volunteers, Mediators, and Counselors	(2,597,000)	(2,605,000)
A157	Homeless Housing and Assistance	(445,000)	(265,000)
A065	Improve and Preserve the Affordability of Housing	511,000	(240,000)
A049	State Energy Policy	(107,000)	0
A068	Mobile Home Relocation Assistance	250,000	(289,000)
A005	Developmental Disabilities Council and Endowment	102,000	102,000
A180	American Recovery Act Funding	(150,000)	25,000
A163	Business Development	(118,000)	(31,000)
A167	Economic Development - Business Loans	(15,350,000)	(3,638,000)
A008	Services to Crime Victims	19,000	0
Total		(27,900,000)	(10,751,000)

Is this DP essential to implement a strategy identified in the agency's strategic plan?

No.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

No.

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

None.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

This package properly aligns revenue and expenditure authority levels. Without these adjustments Commerce's expenditure authority levels do not reflect available resources.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

Expenditures by object based on 2013-15 allotments. See object detail

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is an authority adjustment for the 2015-2017 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>		
A	Salaries and Wages	(2,279,000)	(879,000)	(3,158,000)		
B	Employee Benefits	(687,000)	(265,000)	(952,000)		
C	Personal Service Contracts	(1,170,000)	(451,000)	(1,621,000)		
E	Goods and Services	(1,709,000)	(658,000)	(2,367,000)		
G	Travel	(94,000)	(36,000)	(130,000)		
J	Capital Outlays	(115,000)	(44,000)	(159,000)		
N	Grants	(21,846,000)	(8,418,000)	(30,264,000)		
T	Intra-Agency Reimbursements					
Total Objects		(27,900,000)	(10,751,000)	(38,651,000)		

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: 90 Revenue Adjustments
Budget Period: 2015-17
Budget Level: ML-Maintenance Level

Recommendation Summary Text:

Summary of agency revenue at maintenance level.

Fiscal Detail

Revenue					
Fund	Source	FY 2016	FY 2017	Total	
04R Drinking Water Assist.Acct	0409 Lcl Inv/Intr Incm	2,639,000	2,876,000	5,515,000	
04R Drinking Water Assist.Acct	0444 Grant & Loan Repa	11,844,000	12,905,000	24,749,000	
04R Drinking Water Assist.Acct	0866 Loan Princ Repaym	3,049,000	3,323,000	6,372,000	
058 Public Works Asst Acct	0409 Lcl Inv/Intr Incm	6,731,000	6,593,000	13,324,000	
058 Public Works Asst Acct	0444 Grant & Loan Repa	3,365,000	3,296,000	6,661,000	
058 Public Works Asst Acct	0866 Loan Princ Repaym	102,078,000	99,985,000	202,063,000	
05R Drinking Wate Assist Admin	0420 Charges for Service	750,000	375,000	1,125,000	
06K Lead Paint Acct-State	0299 Other Licences,Peri	75,000	80,000	155,000	
07R Drinking Water Assist Repaym	0409 Lcl Inv/Intr Incm	590,000	757,000	1,347,000	
07R Drinking Water Assist Repaym	0866 Loan Princ Repaym	2,516,000	3,228,000	5,744,000	
10B Home Security Fund	0425 Filing Fees & Legal	16,921,000	19,371,000	36,292,000	
12C Affordable Housing for All Acc	0425 Filing Fees & Legal	4,241,000	4,848,000	9,089,000	
150 Low-Inc Weatherization Asst A	0499 Other Revenue	540,000	540,000	1,080,000	
15P Energy Recovery Act Acct	0401 Investment Income	75,000	75,000	150,000	
15P Energy Recovery Act Acct	0444 Grant & Loan Repa	2,837,000	3,097,000	5,934,000	
17L Foreclosure Fairness Account	0425 Filing Fees & Legal	4,200,000	4,000,000	8,200,000	
263 Community/Econ Dev Fee-Stat	0499 Other Revenue	730,000	1,275,000	2,005,000	
263 Community/Econ Dev Fee-Stat	0420 Charges for Service	105,000	84,000	189,000	
532 Washington Housing Trust Ac	0409 Lcl Inv/Intr Incm	1,108,000	1,292,000	2,400,000	
532 Washington Housing Trust Ac	0444 Grant & Loan Repa	3,250,000	3,534,000	6,784,000	
532 Washington Housing Trust Ac	0499 Other Revenue	1,000	1,000	2,000	
532 Washington Housing Trust Ac	0866 Loan Princ Repaym	200,000	200,000	400,000	
759 Miscellaneous Program Acct	0409 Lcl Inv/Intr Incm	105,000	105,000	210,000	
777 Prostitution Prevent/Interventio	0299 Other Licences,Peri	24,000	24,000	48,000	
887 Public Facility Const Loan Rev	0409 Lcl Inv/Intr Incm	821,000	536,000	1,357,000	
887 Public Facility Const Loan Rev	0444 Grant & Loan Repa	295,000	297,000	592,000	
887 Public Facility Const Loan Rev	0866 Loan Princ Repaym	2,759,000	3,735,000	6,494,000	
Total Revenue		171,849,000	176,432,000	348,281,000	

Package Description:

Summary of agency revenue at maintenance level.

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

No measures submitted for this package.

Performance Measure Detail

No measures submitted for this package.

Is this DP essential to implement a strategy identified in the agency's strategic plan?)

No.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

No.

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

None.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Not applicable.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Revenue:

Revenue based on projected estimates.

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: N0 Housing Homeless School Children
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

This \$15 million package will house 2,800 school children currently experiencing homelessness. In order to fully serve the needs of 5,200 homeless school children, approximately \$35.5 million would be required for the 2015-17 biennium. However, in consideration of projected state budget constraints, this request is submitted for \$15 million.

Critical to the success of this package is at least \$2 million (matched by private philanthropic contributions) necessary to continue the work of the Washington Families Fund (WFF). The WFF leads system change with innovative housing models and research that has directly supported the success of the state's rapid rehousing initiatives.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	7,500,000	7,500,000	15,000,000
Total Cost			7,500,000	7,500,000	15,000,000

Package Description:

Background

Every year in Washington more than 1,200 school children spend time living outside, in a car, or other places unfit for human habitation. Another 8,200 live in homeless shelters and other temporary housing.

Living without a home dramatically reduces school success, reducing homeless student test scores by more than a third compared to children who were housed.¹

In 2013, Commerce launched the Ending Family Homelessness initiative in partnership with the Department of Social and Health Services (DSHS) and the Employment Security Department (ESD). The initiative is funded with \$5 million dollars from the state, matched dollar for dollar by local funds, and employs a rapid rehousing model providing 328 families who are enrolled in Temporary Assistance for Needy Families (TANF) a temporary rental subsidy to help them move into rental housing.

The one-year evaluation of the initiative's performance shows **that 92 percent of the families participating have exited to stable permanent housing** after receiving an average of 6.5 months of rent assistance.

¹ *Academic achievement among formerly homeless adolescents and their continuously housed peers;*
<http://webpage.pace.edu/yrafferty/Yvonne/docs/Raffertyetal2004JSP.pdf>

The success of this effort is due in part to the close cooperation among agencies providing services to these families. Local housing providers work with DSHS and ESD to identify families in need and provide integrated stabilization and employment services necessary for them to keep paying the rent after temporary rent assistance ends. Rent assistance is provided on average for eight months, but the subsidy length is different for each family depending on their need as identified using a progressive engagement approach.

Resources appropriated for the 2013-15 biennium allow us to serve 328 families at any point in time. This leaves an estimated 1,344 needy families unserved who are living in emergency shelter or in a place unfit for human habitation such as a car or the streets.

This tightly integrated service model relies on support from DSHS and ESD and has successfully housed homeless children and families. The initiative should be expanded to build on this success and house more homeless children currently not being served.

Current Situation

Leaving children living unsheltered and in emergency shelters reduces academic achievement and associated future employment success. Additional investments in education are unlikely to be effective for children trying to cope with being homeless.

Proposed Solution

Expand the Ending Family Homelessness initiative to serve an additional 528 homeless families at a point in time, and 1,584 families over the course of a biennium. Families will be housed in private market rental housing, receiving temporary rent assistance ranging from three months to two years.

This expansion will cost \$13 million a biennium, assuming an average cost of \$1,022 per month in rent, operations and administrative costs, and an average length of assistance of eight months. An additional \$2 million per biennium will support the work of the Washington Families Fund, a public private partnership dedicated to preventing family and youth homelessness.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Tedd Kelleher, 360-725-2930

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Outcomes of this initiative include:

1. More than 90 percent of the families will not return to homelessness within two years after the rent subsidy ends.
2. Families' length of time homeless before moving into permanent rental housing will be less than 15 days.

Performance Measure Detail

Agency Activity Code: A157
Agency Activity Title: Homeless Housing and Assistance

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
001245	Household exiting to permanent housing	80%	85%

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This will contribute to Commerce's ability to meet our key goal: Vibrant Communities and the associated outcomes: Build and Maintain Local Capacity and Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

Expanding the Ending Family Homelessness initiative program supports the Results Washington Goal 4: Healthy and Safe Communities. Within this goal this program helps vulnerable populations become independent and self-sufficient by improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1): Decrease number of homeless people from 17,775 in 2013 to 16,000 by 2015 (1,775 people or a 10 percent reduction). This package will reduce this measure by about 1,478 people at a point in time (an eight percent reduction).

What are the other important connections or impacts related to this proposal?

Organizations supporting a focus on homeless families using a rapid re-housing model tied to employment include the Bill and Melinda Gates Foundation, the federal Interagency Council on Homelessness, and the National Alliance to End Homelessness. Implementing the tenets of this proposal improves the ability of Washington State to successfully compete for federal and private grants that reward system change, integration, and current best practices.

What alternatives were explored by the agency and why was this alternative chosen?

Commerce considered asking for the entire amount necessary to serve the entire population of unsheltered and temporarily sheltered school children, but instead chose to only attempt to address 38 percent of the need with this proposed expansion due to current state budget constraints. Serving the entire need would require \$35.5 million per biennium.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Failing to fund this package will leave about 2,800 school children homeless that would have been served with this package during the 2015-17 biennium. Leaving these children unserved will reduce academic achievement, overall school test scores, and compromise their future success.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package requests \$6.5 million per year to house homeless school children as well as \$1 million per year for the WFF.

Total school aged children living unsheltered or in emergency shelter annually prior to the Ending Family Homelessness initiative: 4,501

Average minor children per household: 1.8

Households in need each year: 2,501

Households served each year by the existing Ending Family Homelessness initiative once fully implemented by December 2014: 792

Average cost per household per month (all costs: rent, operations, administration): \$1,022

Average length of stay in rapid rehousing: 8 months

Annual expenditures: (Households served: 1,584 x Average length of stay: 8 months) x Average cost per household per month: \$1,022 = \$12,950,784 or $(1,584 \times 8) \times 1,022 = \$12,950,784$

Cost to continue the WFF at a reduced level: \$2 million per biennium in state funds matched by private philanthropic contributions. Since 2004 the WFF has received \$17 million in state funding which has been matched by more than \$31.6 million in private philanthropy, nearly a 2:1 ratio of private dollars to state dollars.

This initiative will be implemented using existing data collection and contract management capacity, assuming no reductions are made in other sources of funding supporting existing administrative capacity.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a request for the 2015-17 biennium and will be ongoing. Because this is not an entitlement program, future costs will not necessarily increase based on the population served. However, rent inflation will erode the number of people that a fixed amount of funds can house over time.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages			
B	Employee Benefits			
C	Personal Service Contracts			
E	Goods and Services			
G	Travel			
J	Capital Outlays			
N	Grants	7,500,000	7,500,000	15,000,000
T	Intra-Agency Reimbursements			
Total Objects		7,500,000	7,500,000	15,000,000

Agency: 103 Department of Commerce
Decision Package Code/Title: N1 Sector Economic Development
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

Recognizing intense competition for jobs and capital, Washington launched a sector-based economic development strategy to maximize public-private collaboration for growth in business income, company creation and employment in high-potential industries. Identified strategic growth sectors are anticipated to outpace the overall economy. Sector Leads with deep industry connections are essential links for aligning business community, local organizations, and government resources. Seeded by proviso in 2013, the program requires additional funding to keep Washington from falling behind our competitor states and nations in the race to capitalize on the full potential state economic benefit from these sectors.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	256,754	256,754	513,508
	001-7	General Fund-Private/Local	100,000	100,000	200,000
Total Cost			356,754	356,754	713,508
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		2.0	2.0	2.0
Revenue					
	Fund	Source	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-7	0541 Contributions and Grants	100,000	100,000	200,000
Total Revenue			100,000	100,000	200,000

Package Description:

Background

In the 2013-2015 Operating Budget, the Legislature provided funds for the Department of Commerce to identify and invest in strategic growth areas, support key sectors, and align existing economic development programs and priorities. The Legislature specifically required the agency to consider Washington's position as the most trade dependent state in determining priorities for investment.

The sector growth funds are used to support two important areas of opportunity to grow the economy in the state of Washington. Of the \$700,000 annual appropriation, approximately \$250,000 is used to enhance international trade and investment partnerships, and approximately \$450,000 is used to establish a new sector-based economic development team. The Governor's Office of Aerospace provided the model for a collaborative public/private economic development approach. Additional targeted sectors included maritime, life sciences, information/communication technology, military/defense, and clean technology. The first Sector Leads for these sectors began work in the fall of 2013 and quickly established or expanded relationships with key Washington state companies and associations.

Current Situation

The international trade aspects of the strategic growth budget are addressed separately, and show substantial, data-based achievements on a number of fronts. This decision package is specific to the Sector Economic Development initiative and presents our current progress and the areas of unmet need and opportunities.

Sector Leads for the maritime, military, life science and information/communication technology sectors are on board and working with their industry and community partners.

Partnerships with industries have been established –

The Department quickly engaged industry groups, associate development organizations, small business development centers, chambers of commerce, public port districts, local governments, and other partners to leverage the funds provided. Examples of these efforts include:

- Organizing statewide stakeholders to pursue the establishment of a National Manufacturing Innovation Institute focused on Advanced Composites;
- Establishment of the Washington Military Alliance, a statewide organization of local governments and other stakeholders dedicated to the protection of Washington's military bases in anticipation of future US military downsizing; and
- Formation of the Washington Maritime Federation, a consortium of diverse stakeholders dedicated to growing maritime related jobs in Washington.

New funding has been secured from partners –

Through successful partnerships with industries, nonprofits, educational districts, local governments, economic development organizations, and Federal agencies, Commerce has been able to leverage the funds provided by the legislature. Through these efforts new contributions have been dedicated to support these sectors and economic growth throughout the state of Washington. Examples of these contributions include:

- \$221,500 contributed by 18 separate partners to develop the proposal for funding to establish a National Manufacturing Innovation Institute focused on Advance Composites;
- \$4.3 million US Department of Defense Office of Economic Assistance Grant to support the expansion and diversification of military and defense contractors in Washington;
- \$279,249 from eight separate partners to meet the match requirements for the US Department of Defense grant;
- \$200,000 in industry contributions to directly support Sector Leads; and
- \$200,000 in Federal funds that currently support the State Broadband initiative and have been approved to support the sector based work.

Sector-focused economic development strategies, aligning the resources of business, industry, state and local partners, work. Especially for our state, which is more dependent than any other on international trade and investment, strategic collaboration and coordination is vital to winning the fierce worldwide competition for jobs, new business and investment capital. The department's Sector Lead approach is modeled on the Office of Aerospace and Washington Aerospace Partnership which played key roles in securing tens of thousands of jobs and billions in direct and indirect economic impact. The outcomes of this successful approach stretch far beyond Boeing and Puget Sound, evidenced by strong growth of an aerospace-related supply chain numbering more than 1,350 companies. Carbon fiber production and manufacturing, software, electronics and avionics, machining, robotics, engineering, communication, entertainment and support systems – the impact of the aerospace sector is felt from Bingen to Moses Lake to Spokane and beyond and across all job segments. While not the size of aerospace, other strategic sectors also hold broad-based opportunities for sustainable, long-term good jobs and economic growth in communities throughout the state. The state's current sector development work is under-funded, and without additional funding to lead key sectors that the state is not currently supporting, most notably by cultivating the requisite public-private partnership networks to ensure that Washington competes in the global economy, the risk of losing ground and potential jobs is certain.

Proposed Solution

The proposed solution will allow us to fully fund current Sector Leads and their work with statewide partners, and hire leads and pursue strategic growth plans similar to the successful work accomplished in aerospace, agriculture, life sciences, military and maritime, for two more of our high-potential industry sectors identified in proviso and not currently funded.

Division Budget Coordinator: Karen McArthur, 360-725-4027

Agency Subject Matter Expert: Alex Pietsch, 206-256-6103

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Commerce's Strategic Plan for 2013-15 includes a specific goal to enhance the agency's sector focus; expected results include increasing Washington's share of high-growth, high-employment, traded sectors; growing and improving jobs in aerospace, information & communications technology, life sciences, maritime, military/defense, and clean technology.

The Sector Lead program is expected to create and sustain a thriving economic climate that spurs job growth in every industry sector and every corner of Washington State (activity A184).

Performance Measure Detail

Agency Activity Code: A184

Agency Activity Title: Sector Leads

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
002631	Sector Leads – Gross Business income in correlated industry	6.54%	6.54%
002632	Sector Leads – Jobs growth in correlated industry	3.37%	3.37%

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This proposal supports Commerce's ability to meet our key goal: Growing Economies and the associated outcomes: Increased Investment in Washington State and Healthy Economic Climate.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package provides essential support to Results Washington Goal 2: Prosperous Economy by providing the funds necessary to mature and implement the Sector Leads program. This proposal is not to grow the program, but to provide adequate funding required to fully stand up the program and achieve our outcome goals.

What are the other important connections or impacts related to this proposal?

Each Sector Lead works closely with a specific industry, bringing together Washington State's public and private resources to bear in a coordinated and strategic approach to national and international business development. Other states and other countries do this. Our program would be unable to support the competitive position of

Washington's key industries without sufficient funds to maintain staff for these vital, collaborative efforts that serve the entire state's economy. The Sector Lead program supports and sustains substantial non-state investments in Washington. These include investments by private companies large and small in the state's key industry sectors.

What alternatives were explored by the agency and why was this alternative chosen?

The agency explored reducing the number of sectors supported by the Sector Leads program in order to stay within the existing appropriation. This option was rejected because of feedback provided by the Legislature in the 2014 session, and because of credible requests and offers of partnership for sector leads in sectors such as military/defense and agriculture.

The agency explored reducing salaries and program costs in order to stay within the existing appropriation. This option was rejected because the agency concluded that the volume and level of the work could not reasonably be accomplished with lower-level staff.

The agency considered closing the program at the end of fiscal year 2015, but concluded that the program generates value for the state economy greater than the cost of operations.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

If not funded through this decision package, the Sector Leads program will lose staff and scope, and the results associated with its work are unlikely to be realized.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Revenue:

Key industry sectors have committed and contributed funds in FY14 and FY15 in support of the program. The agency anticipates that additional sector contributions will be received in FY16 and FY17.

Expenditures:

The principal costs for the Sector Leads program are salaries and benefits, with attendant travel, support and indirect similar to other Commerce programs.

The sector lead positions are calculated for budgeting purposes as standard Exempt Management Services positions, with salaries close to market rates for private sector professionals. Actual salaries are negotiated and vary by position.

The program also requires and has assigned a Program Specialist 2 position, budgeted in range 41.

Travel and materials are calculated based on current standard and approved costs for other positions in the Seattle office. Travel is a significant expense for these positions, which by design must interact frequently with

Washington companies across the state and occasionally travel with companies or policymakers to events out of the state and/or overseas.

The total estimated cost for five Sector Leads and program support is \$1,054,754 per year. Funding assumptions include:

\$150,000 in interagency agreements
 \$448,000 in Carry forward funds
\$100,000 in continued industry contributions
 \$698,000

\$356,754 per year needed to fully fund the program (\$100,000 in additional industry contributions and \$256,754 in General Fund-State).

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a request for the 2015-17 biennium and should be ongoing.

Object Detail		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	199,900	199,900	399,800
B	Employee Benefits	50,791	50,791	101,582
C	Personal Service Contracts			
E	Goods and Services	84,063	84,063	168,126
G	Travel	22,000	22,000	44,000
J	Capital Outlays			
T	Intra-Agency Reimbursements			
	Total Objects	356,754	356,754	713,508

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Agency: 103 Department of Commerce
Decision Package Code/Title: N2 Tribal Economic Dev Specialist
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

For some time, tribal leaders have been requesting targeted economic development assistance from Commerce. The May 2014 Governor's Tribal-State Economic Development Summit yielded several actions to advance tribal economic development. Commerce plays a key role in implementation of the action items from the Summit, as economic development is the department's responsibility. This new, dedicated technical assistance and policy position will lead efforts to support tribal economic development. In addition, this position will coordinate a tribal-state economic development committee.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	156,265	151,443	307,708
Total Cost			156,265	151,443	307,708
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		1.1	1.1	1.1

Package Description:

Background

Governor Inslee's Tribal-State Economic Development Summit (May 2014) provided an important forum for the exchange of ideas to enhance and expand tribal economic development. The 29 federally recognized tribes in Washington represent a significant impact to the state's economic health. Diverse economic development strategies and deployment will not only support the individual tribes, but also the surrounding communities and the overall strength of Washington's economy.

Current Situation

Washington tribes have made great strides in economic prosperity and the value of their contributions to the State's economy includes a total economic impact of \$3.5 billion. In 2010, 27,376 people were employed by tribes, translating to \$1.3 billion in wages and benefits. Tribes and the State want to partner to build on this progress and to further diversify the tribal economic base. Tribal leaders report that many tribes lack the economic development expertise and capacity necessary to make significant progress. Many economic development assets and mechanisms typically used by government are not as widely available to tribes. Commerce currently has very limited economic development assistance available to Tribes statewide. The department provides assistance to Tribes when possible, and also works in concert with local economic development and workforce development organizations to help support specific projects. However, this is not adequate to meet tribal needs and requests.

Proposed Solution

Commerce proposes to establish a tribal economic development specialist to support tribes throughout the state. The Summit culminated in approximately twenty specific commitments on moving forward tribal economic development. Nearly 2/3 of those commitments are directed at Commerce to coordinate. One of the most frequently cited requests from tribal leadership was for Commerce to dedicate a person to work with tribes to advance economic development. In addition, the Department was asked to coordinate an ongoing tribal Economic Development Committee, which this position will support and will focus on strategy and policy opportunities. Commerce needs \$307,708 per biennium for one Tribal Economic Development Specialist position and supporting funds for expenses such as travel, office set up, Attorney General costs, and printing.

Tribal economic development benefits Washington in many ways, including significant tax revenue that goes to local communities and the State, as well as job creation (approximately 2/3 of employees in tribal enterprises are non-Indian), purchasing of supplies, and infrastructure. Tribes and Commerce are eager to further develop tribal assets to generate revenue and create jobs.

A Commerce staff person dedicated to working with Tribes will enhance ongoing partnerships and processes to effectively take advantage of economic development opportunities. Facilitating collaboration between tribal leadership, business partners, funding entities and local and state government is a needed and complex tenet of successfully launching economic development projects.

Division Budget Coordinator: Darleen Muhly, 360-725-5030

Agency Subject Matter Expert: Cheryl Smith: 360-725-2808

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Governor Inslee's Results Washington Prosperous Economy goal is specifically relevant to this proposal. The business vitality of tribal enterprises contributes to this goal. In addition, the potential development and expansion of infrastructure on tribal lands to support economic development enterprises contributes to the overall landscape of the state's infrastructure capacity.

Performance Measure Detail

Agency Activity Code: A163

Agency Activity Title: Business Development

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
Outcome Measures			
001149	Number of Jobs Created	10	20
Output Measures			
001810	Number of Leads Generated	3	4
001812	Number of Active Cases	4	6

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This will increase Commerce's ability to meet our key goal: Growing Economies and the associated outcome: Healthy Economic Climate. The 29 federally recognized tribes throughout Washington have influence in all

regions and most communities across the state. Just as tribal economic development benefits the entire tribe, it also contributes positively to the broader communities and the state's economy.

The Commerce Strategic Plan includes strategies and efforts to which this proposal directly ties. This proposal aligns with and contributes to 4 of Commerce's key goals (strong partnerships, reliable and sustainable infrastructure, vibrant communities, and growing economies) and 4 Commerce outcomes (increased investment in Washington State, equitable resources for disadvantaged areas and populations build and maintain local capacity, and healthy economic climate). Commerce collects metrics on jobs created and retained and construction jobs created. We anticipate each of these measures will experience an increase.

Commerce is uniquely suited to assist Tribes with their economic development diversification and growth efforts. Economic development of a Tribe has many important and valuable positive ripple effects to the tribal community. No entity understands, supports, and values that connection more than Commerce. The department recognizes the inevitable link and impacts that run between economic development and communities. Enhancing tribal economies will provide increased funding and support for the community such as increased employment, funding for early childhood education, health care, social services, cultural activities and reducing several of the consequences of poverty, marginalization, and lack of opportunity such as school absenteeism, teenage pregnancy, juvenile delinquency, and poor health.

When a Tribe is more able to achieve economic self-sufficiency and move into prosperity, the entire Tribe benefits. Examples throughout the state demonstrate how economic development has led to employment and support for tribal programs and services, including cultural recovery.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package provides essential support to Results Washington Goal 2: Prosperous Economy. This will specifically contribute to measures of Gross Domestic Product (GDP) and Gross Business Income (GBI) under Business Vitality. For too long we have lacked tight coordination with the tribal nations of our state. These tribes represent a tremendous opportunity to drive economic activity at the local level especially in very rural areas.

What are the other important connections or impacts related to this proposal?

There was overwhelming support for a dedicated tribal economic development position proposed during the Tribal-State Economic Development Summit. Additionally, Governor Inslee is committed to working with Tribes on economic development, as he called for the Governor's Tribal-State Economic Development as a way for tribal and state leadership to identify strategic opportunities for building on the economic progress made by tribes. This proposal is connected to the work of the Department of Revenue's Tribal Tax Advisory Workgroup, and the economic development committee we will establish.

What alternatives were explored by the agency and why was this alternative chosen?

We considered asking the local Associate Development Organizations (ADOs) to provide additional assistance to tribes. While this is needed and may be feasible in future contract cycles, it is not a substitute for a single statewide tribal economic development coordinator.

Another alternative actually attempted was the Economic Development Summit in May. Commerce anticipated that a one-time strategy session would identify next steps for Tribes. The department learned, however, that a longer-term approach with ongoing coordination and assistance is needed, largely attributable to the complexity and difficulty of this work. Commerce examined our current capacity and determined that we do not have enough

resources to provide this support in a meaningful way. To meet this need a position with someone who has the combination of economic development expertise and tribal experience is necessary.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

If this proposal is not funded, Washington will lose a timely opportunity to help diversify and advance tribal economic progress.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None at this time, though we anticipate the potential for policy and/or statutory revisions in the future.

Expenditure and revenue calculations and assumptions

Expenditures:

This package requests funding for staff costs of \$156,265 in FY 2016 and \$151,443 in FY 2017 for 1.0 Tribal Economic Development Specialist as well as 0.14 associated indirect FTEs. It also includes one-time costs for staff equipment in FY16 of \$5,025.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

FY16 request is \$156,265 and FY17 and ongoing is \$151,443.

Object Detail	FY 2016	FY 2017	Total	
A Salaries and Wages	81,600	81,600	163,200	
B Employee Benefits	22,191	22,191	44,382	
C Personal Service Contracts			0	
E Goods and Services	44,333	44,333	88,666	
G Travel	3,116	3,319	6,435	
J Capital Outlays	5,025		5,025	
T Intra-Agency Reimbursements				
Total Objects	156,265	151,443	307,708	

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: N3 Foreign Direct Investment
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

The Department of Commerce requests funding to continue foreign representation in international business development for both export promotion and investment attraction. Our foreign representatives generate increased export sales by Washington small businesses and capture an ever growing number of foreign direct investment projects.

In FY13, exports contributed to Washington's economy by sales of \$203 million and projected sales of \$202 million in FY14. The majority of the business recruitment pipeline from FY13 to date consists of international companies. With 55 projects in the pipeline, 38 are international, resulting in the possibility of creating 2,675 jobs and \$4.2 billion in investment.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	125,000	125,000	250,000
Total Cost			125,000	125,000	250,000

Package Description:

Background

Investment in foreign representation for international business development has been significantly reduced during recent budget cutbacks. Foreign representatives (FR) are in-country business experts who identify foreign investment projects for Washington State and provide advocacy and matchmaking support to small Washington businesses to help grow their export sales. The General Fund-State budget for FR was reduced substantially during recent state budget shortfalls, although Commerce was able to offset some of this negative impact by securing federal funding to underwrite FR important work in targeting international markets. The federal funding used to support these contracts has expired. Commerce currently has five FR contractors to assist our companies to export their products. Through the combined efforts of these FR and our staff, Washington companies accomplished export sales of over \$203 million in FY13, with an additional \$202 million in projected sales in FY14.

Historically, Washington State has not allocated significant funding for FR to identify and recruit targeted foreign direct investment (FDI). This proposal will help provide support for identifying FDI opportunities and land key projects. U.S. subsidiaries of global companies play a vital role in Washington's economy, insourcing 96,000 jobs that represent 4.1 percent of the state's workforce. Most U.S. states are heavily focused on FDI attraction, leaving Washington State at a competitive disadvantage at landing high-value FDI projects in sectors that are important to the state's economy. Focusing on FDI attraction and international business recruitment is

increasingly important in an era of increased globalization. The majority of the business recruitment pipeline, from FY13 to date, consists of international companies, with 38 being international (resulting in the possibility of 2,675 new jobs and \$4.2 billion in capital investment) and 17 domestic (resulting in the possibility of 930 new jobs and \$744 million in capital investment).

Current Situation

Reinvestment in foreign representation will generate increased export sales by Washington small businesses that will make these companies globally competitive and create new jobs for Washingtonians. Secondly, we want to increase the number of FDI projects to bring international capital investment and jobs to Washington.

Proposed Solution

Providing \$125,000 per fiscal year to support foreign representation in targeted markets will generate \$35 million in new export sales for small businesses and support nearly 200 jobs. It will also attract seven to ten new FDI projects in the next three to five years that will bring \$70 million in new capital investment and 400 new jobs to Washington State. This funding will enable our staff and the foreign representatives to provide increased business development outreach including more meetings and interaction with potential investors and or importers of Washington goods and services as well as participation in a greater range of international trade shows and conferences. This enhanced effort will drive the increase in exports and investment into Washington.

Division Budget Coordinator: Karen McArthur, 360-725-4027
Agency Subject Matter Expert: Allison Clark, 206-256-6124

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

By making this investment, we expect:

- \$35 million in new export sales for small businesses, supporting nearly 200 jobs, along with seven to ten new FDI projects in the next three to five years that will bring \$70 million in new capital investment and 400 new jobs to Washington State. It will help Washington State to stop losing ground to competing U.S. states for trade and investment opportunities.
- To have in-country FR that will increase the number of clients requesting export assistance by 50 percent and a 100 percent increase in FDI leads and landed projects.
- Clients to increase export sales, become more globally competitive, and create new job opportunities for Washingtonians.
- To develop the existing supply chains of strategic industries, increase the state tax base, create opportunities for mergers and acquisitions – which in turn aid economic development and business retention – and further develop industry standards via new ideas and innovation.

Performance Measure Detail

Agency Activity Code: A171
Agency Activity Title: Global Trade and Investment

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
Outcome Measures			
001500	Assisted Export Sales	+50%	+50%
Output Measures			
001140	Number of export assistance cases	+40%	+40%

Is this DP essential to implement a strategy identified in the agency's strategic plan?)

This decision package will increase Commerce's ability to meet our mission to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and a sustainable infrastructure and our key goal: Growing Economies and the associated outcomes: Increased Investment in Washington State and Healthy Economic Climate.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package provides essential support to Results Washington Goal 2: Prosperous Economy by promoting increased export sales by Washington small businesses and capturing an ever growing number of foreign direct investment projects.

What are the other important connections or impacts related to this proposal?

Increasing the state's promotion and awareness in foreign markets will support trade, tourism, business recruitment and foreign direct investment. Each new job created in Washington State results in indirect job growth of approximately 2.5 to 5 additional jobs.

This proposal will indirectly impact the Department of Revenue and Employment Security Department as a result of increased sales and employment.

Numerous studies on FDI impacts have shown that foreign direct investment via international insourcing companies encourages domestic competitors to operate more efficiently and adopt improved industry best practices. In addition, they support upstream suppliers and give downstream customers greater opportunities while offering higher wages to workers. These companies also serve as anchors for further economic activity in the communities in which they operate.

What alternatives were explored by the agency and why was this alternative chosen?

Funding is needed in order to increase the state's promotion and awareness in foreign markets to support trade, tourism, business recruitment and foreign direct investment. With this funding each new job created in Washington State results in indirect job growth of approximately 2.5 to 5 additional jobs. Without this funding Washington State will lose ground to other states and lose opportunities to increase state revenue and jobs. This investment has created substantial growth to Washington's economy and needs funding to continue this work. Other alternatives would not keep Washington competitive in the global market and may result in lost investment opportunities and job growth in our state.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Washington will not be able to compete in the global marketplace, giving other states an advantage over Washington State.

The U.S. is a leading location for FDI, with manufacturing the largest industry for foreign investors. In Washington, foreign companies employ 96,000 workers, or 4 percent of the state's private sector workforce. Of these jobs, 32 percent are in manufacturing. However, Washington State currently ranks 19th in the U.S. in terms of employment derived from FDI and 31st in terms of manufacturing employment.

In addition to the benefits of FDI already discussed herein, foreign markets represent huge reservoirs of untapped potential for state job creation and capital investment, as well as trade and export opportunities for our state's

small businesses. Our FR are key components for developing and landing these opportunities. Not having FR would be a huge loss for our state's economic development efforts and future economic growth.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This proposal represents a reinvestment in foreign representation capacity. We currently have six contracts for foreign representation in (China, Europe, Mexico, Japan, Taiwan and India) but only have funding for three (China, Europe and India). Prior to the recent recession, the historic General Fund-State allocation for FR was \$650,000 annually. The current General Fund-State budget for FR is \$464,000 for the biennium. Without federal grant funding in FY14 and FY15, General Fund-State has only funded a limited level of foreign representation work, resulting in a significant opportunity cost of lost exports, lost foreign capital for investment projects and lost job opportunities. Reinvestment of \$125,000 per year will not bring the FR budget back fully to pre-recession levels, but will significantly increase Washington's competitiveness among the rest of the states.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a request for the 2015-17 biennium and should be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A	Salaries and Wages				
B	Employee Benefits				
C	Personal Service Contracts	125,000	125,000	250,000	
E	Goods and Services				
G	Travel				
J	Capital Outlays				
T	Intra-Agency Reimbursements				
Total Objects		125,000	125,000	250,000	

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: N4 Growth Management Act Plan Updates
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

Washington relies on strong communities to maintain global competitiveness. This package will provide assistance to over 125 communities in updating and implementing their comprehensive plans including those for implementation of the Puget Sound Action Agenda. It is imperative that communities' plans are kept abreast to meet the challenges of fostering a fertile business climate and addressing environmental issues including geologically hazardous areas and climate change. Updated plans create a pathway for strategic growth that enhances business opportunities. This proposal maximizes limited resources to conduct research and analysis assuring evidence based recommendations and plans that match state performance goals.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	1,525,000	1,525,000	3,050,000
Total Cost			1,525,000	1,525,000	3,050,000
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		6.7	6.7	6.7

Package Description:

Background

RCW 36.70A.190 assigns the Department of Commerce the responsibility to provide technical and financial assistance to cities and counties planning under the Growth Management Act (GMA). Cities and counties "business plans" for future economic vitality are their comprehensive plans adopted under the GMA. These plans guide investments in infrastructure, housing, parks and other priority projects, and new private development.

City and county comprehensive plans and development regulations are required to be updated at least every eight years under GMA. The Legislature appropriated funds for grants and direct technical assistance for the first round of these required updates from 2004 through 2007. This funding allowed local communities to undertake major revisions to their plans since they were initially adopted through significant community engagement on issues concerning their community and adjustments were conducted based on needs.

Current Situation

Following the 2004-2007 required updates, state funding for local planning was significantly reduced due to the recession. It was agreed with stakeholders at that time to propose restoration of funding for the next cycle of required plan updates in 2013-2015. The FY13-FY15 biennium budget only provided for 27% of the state grant

funding and approximately 51% of the technical assistance staff which were available for the 2004-2007 required updates.

Now that local governments are currently working on meeting their mandatory update requirement for the 2014-18 cycle, Commerce is charged with the duty to assist 320 local jurisdictions through the update process to achieve continued compliance under the GMA; however Commerce is faced with undertaking this duty with significantly less capacity to provide financial assistance and technical assistance and oversight than it provided in the last round of updates. This loss of capacity compounds the increased need resulting from growing fiscal challenges facing local governments and the loss of capacity at the local level.

Between 2007 and 2014, Commerce lost much of its capacity to provide direct assistance to local governments on their comprehensive plans. This loss of capacity prevented the state from providing the help needed to maintain progress on the updates. This was especially true among the smaller jurisdictions, resulting in more than one-quarter of jurisdictions being out of compliance, thus affecting their ability to access other grant and loan funding opportunities. This loss of capacity, right at the time of the recession, also hampered local governments, both on their own and with the assistance of Commerce, in implementing their comprehensive plans to foster economic development opportunities. Commerce also lost its capacity for public engagement around growth management issues and its capacity to conduct research that could help refine and critically evaluate its recommendations and provide increased and improved assistance to local communities.

With the updates underway, local governments are looking to their state partners for help. Commerce is responsible for coordinating the efforts of all state agencies while tracking and monitoring the progress of the updates. With this round of updates, local governments are confronting new and complex challenges such as updating their Shoreline Management Plans. For many, this is the first set of plans that address the effects of the recession. The resulting shifts in the housing market and the lingering fiscal stress on local governments are requiring a major reassessment for many communities.

This is also the first major update with the potential to address the state's ambitious climate change goals. Communities are also reporting that their leadership is undergoing a generational shift in both their staff and their leadership, requiring a need to re-educate and re-engage around the fundamental role of their plan and the vision for their community.

Planning practice is also demanding better analytical capacity at both the state and local level. There are increasing demands that recommendations and policies have a solid analytical foundation. State agencies also rely increasingly on analysis of data using geographic information systems. The state does not consistently maintain statewide data about local land use or infrastructure capacity. Without this data, local land use plans cannot be well integrated into statewide decision making.

Proposed Solution

In order to fund this priority proposal, Commerce suggests redirecting funds from other reduction packages. This will enable Commerce to augment its existing limited capacity with the necessary staff to assist local governments and coordinate the activities of other state agencies engaging with local governments. Commerce requires 6.0 FTEs to provide direct technical assistance in critical issues in the upcoming updates, including infrastructure planning and finance, managing geologically hazardous areas and addressing climate change. Commerce staff will maintain contact with local governments to provide support and monitor progress on the updates.

In addition, Commerce needs to increase financial assistance in grants to communities to support their required comprehensive plan update processes. Communities were hit very hard financially during the recession, resulting in reductions in essential staffing to complete their required update process prior to the statutory deadlines, resulting in over 80 jurisdictions missing the deadline and becoming out of compliance, affecting their eligibility for infrastructure funding grants and loans.

This staffing will also allow Commerce to support local governments with better communications and public engagement to connect with a new generation of local staff and elected officials. Better communications can increase public support and understanding of the role of local planning. Improved public engagement will also inform state policy and assure that efforts are aimed at goals that reflect contemporary public values and needs.

Commerce will be in a position to improve analytical and research capacity. This capacity will implement Results Washington goals and allow for improved monitoring of GMA effectiveness. It will also develop capacity for statewide land use and infrastructure data to integrate local plans into state management decisions. This program directly supports the Results Washington Goal, 2: Prosperous Economy, Goal 3: Sustainable Energy and Clean Environment, Goal 4: Healthy and Safe Communities, and Goal 5: Efficient, Effective and Accountable Government. It supports the following priorities through Commerce and through other relevant state agencies by:

- Improving the economic vitality of businesses and individuals.
- Improving the quality of Washington's natural resources.
- Improving the statewide mobility of people and goods and services.
- Strengthening government's ability to achieve results efficiently and effectively.

Division Budget Coordinator: Lee Elliott, 360-725-3012
Agency Subject Matter Expert: Jeff Wilson, 360-725-3055

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Increased technical assistance capacity will enable more local governments to meet their update deadline, especially smaller and slower-growing communities. Fewer local governments will fall into noncompliance. For those that do, Commerce will be capable of coordinating a timely and effective response to help resolve compliance issues more quickly.

Increased assistance capacity will enable local governments to more effectively tackle complex challenges. Increased capacity will be focused on addressing climate change and improving the linkage between land use decisions, infrastructure decisions and local financial performance. Improved planning will ultimately result in more land being ready for development, fewer chronic infrastructure deficits, and communities better able to support and attract new investment.

The resources of all state agencies engaging in the update will be well coordinated. State agencies will have information about local planning activities. Local governments will have access to state agency resources to help in their planning efforts. Improved coordination will avoid costly miscommunication between state and local government. Improved coordination will allow state agencies to focus more effort on their core objectives and spend less time collecting basic information about what local planning activities are underway.

Performance Measure Detail

Agency Activity Code: A104
Agency Activity Title: Growth Management

	Incremental Changes	
	<u>FY 2016</u>	<u>FY2017</u>
Outcome Measures		
002634 Percent of City/County Actions not complying with the Growth Management Act because of missed deadlines	1%	1%

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This increases Commerce's ability to meet its key goal of Vibrant Communities and the associated outcomes: Build and Maintain Local Capacity and Increased Investment in Washington State.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This program directly supports the Results Washington Goal, 2: Prosperous Economy, Goal 3: Sustainable Energy and Clean Environment, Goal 4: Healthy and Safe Communities, and Goal 5: Efficient, Effective and Accountable Government. It supports the following priorities through Commerce and through other relevant state agencies by:

- Improving the economic vitality of businesses and individuals.
- Improving the quality of Washington's natural resources.
- Improving the statewide mobility of people, goods, and services.
- Strengthening government's ability to achieve results efficiently and effectively.

What are the other important connections or impacts related to this proposal?

- This activity supports implementation of the Puget Sound Action Agenda, Near-Term Action 1.2. *While this decision package supports the Near-Term Action 1.2, we are unable to identify monetary or human resources devoted directly to this Action due to the competitive nature of the funding and personnel allocation.*
- This activity will assist local governments in developing and implementing best practices for climate change.
- This activity implements the state energy strategy (transportation efficient land use).
- This activity implements the Washington Transportation Plan (Key Policy Recommendations – Transportation and Land Use).

What alternatives were explored by the agency and why was this alternative chosen?

Growth Management plan updates are mandated by state law. To assist local governments, grants and technical assistance are only supported by General Fund-State dollars. Given the limited opportunities to receive increased General Fund-State allocations, the only feasible opportunity to provide the minimum financial resources to support the required comprehensive plan updates for the state's 320 local governments is to redirect requested reductions from Commerce's budget and services. Therefore, as the comprehensive plan updates are mandatory, the redirection of these funds will enable our state to support communities with additional grant funding and technical assistance to help achieve compliance.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

If this request is not funded:

- Fewer local governments will meet their update deadline, or will otherwise fall out of compliance with the GMA.
- Update activities will be less capable of meaningfully addressing statewide goals.
- Less effective land use and infrastructure coordination could lead to greater misallocation of infrastructure funds and less clarity on what development activity a community can support.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package requests funding for staff costs of \$899,361 per year for 4.0 Commerce Specialist 3, 1.0 Commerce Specialist 2, 1.0 Commerce Specialist 1 to provide direct technical assistance in critical issues in the upcoming updates, including infrastructure planning and finance, managing geologically hazardous areas and addressing climate change as well as 0.66 associated indirect FTEs. Commerce staff will also maintain contact with local governments to provide support and monitor progress on the updates.. It also includes \$575,639 per year in grant assistance to local communities to complete their GMA updates as well as \$50,000 per year in funding for Attorney General costs.

While this decision package supports the Puget Sound Action Agenda's Near-Term Action 1.2, we are unable to identify monetary or human resources devoted directly to this Action due to the competitive nature of the funding and personnel allocation.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a request for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	362,964	362,964	725,928
B	Employee Benefits	116,318	116,318	232,636
C	Personal Service Contracts	50,000	50,000	100,000
E	Goods and Services	346,297	364,319	710,616
G	Travel	32,634	55,760	88,394
J	Capital Outlays	41,148	0	41,148
N	Grants	575,639	575,639	1,151,278
T	Intra-Agency Reimbursements			
	Total Objects	1,525,000	1,525,000	3,050,000

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: N5 Enterprise- Regulatory Improvement
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

Businesses expect to conduct their transactions with the state in efficient, predictable, and consistent manners. While various regulatory streamlining efforts are underway across state government, businesses continue to ask for a consistent enterprise-wide approach. Commerce proposes to facilitate enterprise-wide adoption of best practices that can measurably reduce business time while maintaining current regulatory standards. Staff and consulting expertise will facilitate broad adoption of improvements, including creation and ongoing measurement of a regulatory process index for Results Washington, and cross-jurisdictional sector-based initiatives to achieve the goals of pilot projects outlined in HB1818 Business and Government streamlining projects in a flexible way.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	75,000	75,000	150,000
Total Cost			75,000	75,000	150,000
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		0.5	0.5	0.5

Package Description:

Background

The state's regulatory climate directly affects jobs and business revenues. State government regulatory reform and regulatory streamlining efforts have been underway in various forms for decades with mixed results. While the business community generally acknowledges individual improvements made by regulatory agencies on specific requirements (such as the ability to file taxes online), they also continue to report frustration with their ability to efficiently conduct business with state agencies. Commerce has been asked repeatedly by the business sector to help facilitate streamlining and consistency initiatives across the state enterprise. As a non-regulatory agency that works closely with business, Commerce can help to amplify the perspective of businesses while also understanding the perspectives of the agencies that regulate them.

Current Situation

Small businesses employ more than 40 percent of the state's private-sector employees and contribute about 30 percent of the state's Gross Business Income. While regulatory reform efforts often benefit large businesses, the

general agreement is that small businesses experience the greatest impacts from inefficient, uncoordinated, duplicative, confusing, and administratively-dense requirements. Smaller businesses stand to benefit the most from efforts to address these unintended process inefficiencies.

Currently, many individual regulatory improvement efforts are underway. Most are specific to a single regulatory process or requirements. A few, including the Washington Business One-Stop (which involves eight agencies) and implementation of HB1224 (implementing recommendations from the State Auditors Office's (SAO) regulatory reform audit) are being carried out with a broader focus. This is a good start. However, we need to employ an enterprise-wide approach to improvements that measurably reduce business costs. We don't have the resources or time to "lean" every process individually, nor should we. Best practices and consistent approaches are fairly straightforward and can yield results quickly.

Business has been overwhelmingly clear that they are frustrated by having to spend the time to interact with every agency in different ways—information is presented differently, passwords and information requirements are different, payment options vary widely, and they are sometimes not even aware of all the requirements they need to meet.

Proposed Solution

Commerce proposes to advance its work on supporting broad adoption of regulatory improvement best practices and principles aimed at reducing time and costs for the business community. Pilot projects currently underway show great promise to reduce time, costs and frustration for businesses interacting with state and local regulatory agencies. These improvements can be adopted across the state enterprise, and even in some local entities, while continuing to maintain public health and safety standards. The priority will be to facilitate state and local partners in cross-jurisdictional sector-focused streamlining projects like those envisioned in HB1818, but with a more flexible approach to convening the project partners. The current legislation has been perceived as limiting to potential local government and business partners, as it requires funding to participate.

Additionally, SAO regulatory reform audits, Office of Regulatory Innovation and Assistance (ORIA) regulatory improvement activities, the Office of the Chief Information Officer (OCIO) Business One-Stop, and agency regulatory improvement and Lean activities, will continue to yield a library of best practices that are broadly applicable. Facilitating between the business community and the regulators, Commerce is uniquely positioned to help identify, advocate for, monitor and evaluate opportunities to reduce costs for businesses and also for government in the areas of permitting, licensing, inspections, filings and other requirements.

Saving businesses time translates directly to their bottom lines by providing them with more time to invest in generating revenues and by cutting their expenses. Time creating new passwords, figuring out what is required, waiting for answers, submitting duplicative information requires someone at a business to spend time which costs money.

Additionally, Commerce will continue to develop and measure a Results Washington indicator of the "red tape" involved with a sample of regulatory processes. The regulatory process index will quantify the administrative burden costs to businesses to comply with regulatory requirements, and will be a way to measure progress in reducing red tape for businesses over time.

Division Budget Coordinator: Darleen Muhly, 360-725-5030
Agency Subject Matter Expert: Cheryl Smith: 360-725-2808

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Commerce expects to see business perceptions of the state's regulatory climate improve as measured through surveys, the red tape index and other ways.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A163
Agency Activity Title: Business Development

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This will increase Commerce's ability to meet our key goal: Growing Economies and the associated outcome: Health Economic Climate. Regulatory reform is a vital component along with workforce and tax structure in how the state can influence the economic climate. The department of Commerce is the ideal entity to try and drive reform of regulations because of alignment to our mission and the fact that Commerce is not a regulatory agency. Our ability to work across agencies and deliver a customer perspective is very important.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports the Results Washington Goal 2: Prosperous Economy. This specifically contributes to 2.1.2.b-Reducing business time, cost, and frustration of compliance from 2013 baseline condition as measured by a regulatory process index in place by 2015. This goal represents recognition by the Governor and his cabinet on the importance of regulatory reform. The development of the index is vital as it will establish the baseline that all further improvement is based.

What are the other important connections or impacts related to this proposal?

HB1818 envisions a sector-based approach to regulatory improvements through pilot projects that will be conducted by state, local government and business partnerships. While constraints in the legislation have prevented our progress on implementing these projects, this proposal will allow us to more flexibly convene the same types of partnerships to innovatively approach systemic process improvements.

What alternatives were explored by the agency and why was this alternative chosen?

Commerce continues to support and participate with other agencies on regulatory streamlining efforts. The departments are very familiar with the approaches and plans underway and are well-intentioned. However, they lack a cohesive vision about how to make rapid improvements across the state. The business sector continues to ask Commerce to remain involved so that their perspective and voice is heard. Without funding there is no current alternative for Commerce to help shape and drive these efforts to be more systemic and to measurably respond to business pain points.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Not funding this package will mean not being able to respond to and reflect the business community's priorities in executing on regulatory process improvements. There will continue to be a lack of a consistent, coordinated

across-the-board approach. Instead, some coordination will occur, but individual “Lean” efforts that are focused on the agency perspective and less on the effects on business owners, will continue to be the norm. While these improvements are helpful, we would be missing an opportunity to innovatively and systemically drive regulatory improvements.

Additionally, not funding this proposal will limit Commerce’s ability to fully develop and implement the red tape index, one of the leading indicators of the Results Washington Goal 2 Prosperous Economy.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None at this time, though we anticipate the potential for policy and/or statutory revisions in the future.

Expenditure and revenue calculations and assumptions

Expenditures:

This package requests funding for staff costs of \$46,500 per year for 0.40 Commerce Specialist 3 as well as 0.05 associated indirect FTEs. It also includes \$28,500 per year for external consulting from process improvement and regulatory reform experts.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a request for the 2015-17 biennium and should be ongoing for at least one additional biennium to continue implementing statewide best practices.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	25,896	25,896	51,792
B Employee Benefits	7,699	7,699	15,398
C Personal Service Contracts	28,500	28,500	57,000
E Goods and Services	12,607	12,607	25,214
G Travel	298	298	596
J Capital Outlays			
T Intra-Agency Reimbursements			
Total Objects	75,000	75,000	150,000

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: P0 Maximize Economic Dev. Opportunities
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

The Community Economic Revitalization Board (CERB) is Washington's premier rapid response to business siting and expansion needs. This is accomplished by staying abreast of emerging opportunities then encouraging the use of CERB funds by local communities to make the opportunity a reality. CERB has worked in partnership with the Department of Commerce's Business Services Division (BSD) staff to identify qualified projects. Starting in 2009, BSD staff was reduced from nine down to zero in the 2013-15 biennium. For CERB to fulfill its legislative mandate, it is imperative that more staff be retained to facilitate communities' business development efforts.

Fiscal Detail

Operating Expenditures		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
887-1	Public Facility Const Loan Revolv	301,683	296,493	598,176
Total Cost		301,683	296,493	598,176
Staffing		<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
FTEs		2.2	2.2	2.2

Package Description:

Background

Historically, the Community Economic Revitalization Board (CERB) has partnered with Commerce's Business Services Division (BSD) to vet applications for funding, support the board, and manage projects under contract with one manager and one contracts management staff. BSD staff educated communities on the programs offered by CERB, assisted with the application process, and provided on-going technical assistance to ensure that the projects were completed. BSD staff was reduced down to zero as a result of recessionary budget cuts. With the economy rebounding, Commerce is requesting to increase staffing to meet our state's need to facilitate communities' business development efforts.

Current Situation

Commerce's mission is to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and a sustainable infrastructure. CERB currently has 2.6 dedicated FTEs. One FTE is the Program Manager, and one FTE is dedicated to contract management. The other 0.6 of an FTE is for unit/divisional oversight. Staff is currently unable to do the same level of outreach due to the limited resources being directed to the management of existing projects and board support, hindering our state's business development opportunities. There is no capacity currently to provide the outreach necessary to make communities aware of this resource. Without staff working in communities to develop projects and informing communities of funding opportunities specifically for business development and expansion, projects are going

unrealized. CERB programs directly support Commerce's mission by providing rapid funding for infrastructure necessary for business expansion or locating in Washington. CERB also directly supports Commerce's key goals: Reliable and Sustainable Infrastructure and the associated outcome: Build and Maintain Local Capacity by providing a timely financing tool for communities to use when creating a business friendly environment. In order to continue providing exemplary assistance for these communities, it is imperative for CERB to have the staffing necessary to support the program. Outreach and project development, formerly accomplished by BSD staff, has stagnated as a direct result of the staffing decreases described above. CERB's programs have demonstrated actual job creation. At last count, \$168 million of CERB funding invested with \$5.37 billion of private investment created 34,271 verified jobs over the last 30 years. That is more than 1,100 jobs per year.

Proposed Solution

This proposal requests two FTEs in addition to the existing 2.6.

Due to the reductions in BSD staff performing project development work, current staff is required to do a significant amount of work vetting the projects before the board will deliberate on it. This proposal requests two additional FTEs to accomplish this new workload.

- The first FTE will provide development and outreach services. This position will require statewide travel to discuss construction loan opportunities with local governments, ports, planning agencies, and economic development councils. This field staff person will facilitate the application process. Educating communities on the broad array of resources available for economic development, facilitating public/private partnerships, and providing navigation assistance through the myriad of state and federal programs aiding business development, are strong priorities for CERB. This FTE will provide direct service to clients that accomplish Commerce's Outcome: Build and Maintain Local Capacity in rural areas (CERB's primary user base).
- The second FTE will provide administrative staff support to the board. The number of contracts being administered has grown and necessitates more staff support. After the project has been approved by the board, this person ensures compliance with all required pre-contractual and contractual conditions required by the board, including reporting to the Governor and Legislature. This FTE also provides direct service to clients that accomplish Commerce's outcome: Build and Maintain Local Capacity in rural areas. This is met by meeting the pre-contract conditions and the contract management process. Both of these processes educate the funding recipients on how to properly administer projects that require meeting standards set by an outside entity, thus establishing a working framework enabling the client to pursue other funding resources with more cumbersome criteria.

Division Budget Coordinator: Cindy Chavez, 360-725-3154
Agency Subject Matter Expert: Cecilia Gardener, 360-725-3166

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

There will be an increased investment in Washington State through loans and grants to local communities.

Job Creation: CERB investments require that the job creation numbers identified in the application will be met within five years of project completion. CERB historically averages one job created for every \$4,386 CERB dollars invested. In order to continue this level of return on investment, it is crucial to provide economic development technical support to potential clients.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A035
Agency Activity Title: Community Economic Revitalization Board and Program

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This proposed package is essential to implement Commerce's strategic plan.

Adding 2 FTEs to CERB will promote Commerce's key goal: Reliable and Sustainable Infrastructure and the associated outcome: Build and Maintain Local Capacity by providing funding to communities for the development of public resources that entice business to Washington State and enabling local governments to have adequate infrastructure to accommodate growth and economic development. CERB also supports Commerce's key goal: Growing Economies and the associated outcome: Healthy Economic Climate by driving business recruitment, retention and expansion activities to promote Washington State as the place for employers. CERB also supports the Build and Maintain Local Capacity outcome by improving state level assistance so local governments have greater access to resources, increasing opportunities for local investment in infrastructure projects by increasing local revenue generating mechanisms, providing performance-based contracts, as well as providing strong comprehensive technical assistance with a focus on smaller communities.

Businesses are looking for places with cheap energy, good transportation routes, and attractive communities for their employees. CERB helps communities achieve these foundational elements by providing a unique funding source. CERB funds are available in real-time as opposed to waiting on legislative cycles, so these funds can be used to address immediate needs. Business opportunities require a quick response. CERB is able to help communities meet that requirement.

Finally, CERB supports the agency's activity inventory for the following:

Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance

Both of the FTEs will provide assistance to clients for economic development and building the capacity necessary to access other state, federal, philanthropic, and private funding sources.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports the Results Washington Goal 2: Prosperous Economy by providing technical assistance and the provision of grant/loan packages to communities and the funding of reliable, sustainable infrastructure that is necessary for successful business attraction and retention.

What are the other important connections or impacts related to this proposal?

This proposal addresses a long standing deficit in staff support for the board's core business by providing outreach and project development directly to communities. CERB will be able to meet the needs of its client base by making communities aware of CERB as a resource for local economic development.

What alternatives were explored by the agency and why was this alternative chosen?

Unfortunately, there is no capacity in the BSD anymore to restore the historical role of assisting CERB with vetting application and managing contracts, especially in our state's most rural communities. In order to create efficiencies to maximize existing CERB staff time and resources, in working with potential clients, a two-tiered application has been developed. In Tier 1 of this application process, applicants submit the minimum amount of information necessary to determine whether a project is eligible for CERB funding (as opposed to filling out the former CERB application that routinely ran to more than 100 pages.) Once a project is determined to have passed threshold, staff walk applicants through the Tier 2 application process where staff work with applicants to write a staff recommendation to the board for final funding approval. Although this has streamlined some internal processes, it is beneficial for the client. It does not address the need to work with clients to develop the projects in the field.

What are the consequences of not funding this package?

Failing to fund this package will prevent CERB from fulfilling its role in supporting the Governor's Results Washington Goal 2: Prosperous Economy by failing to have sufficient staff to aid communities with economic development including funding. In Washington's smaller communities, while they may be situated in a geographically advantageous position (good transportation, high speed internet, etc.), they routinely have insufficient staff to dedicate people to economic development and business recruitment and expansion. The staffing request in this proposal will act as a resource to all Washington communities.

What is the relationship, if any, to the state capital budget?

CERB is requesting \$14,000,000 in the state capital budget to maximize the climate for business siting and expansion. These two positions are needed in order to maintain CERB's historical level of service. Historically, CERB staff has been able, not only be reactive but proactive, in responding to Washington communities economic needs. It is crucial for Washington communities that CERB receives additional staff in order to keep CERB easily accessible to these communities and in order to reach programmatic requirements without sacrificing the customer service our clients are accustomed to.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This proposal requests funding for staff costs of \$301,683 in FY16 and \$296,493 in FY 17 for 2.0 Commerce Specialist 3 positions to perform project development and project analysis duties as well as 0.23 associated indirect FTEs. These figures include a one-time cost for staff equipment of \$5,190 in FY 16.

One position will focus on outreach and project development and the other position will provide valuable administrative support for the board ensuring that CERB applicants are examined properly to avoid risk of defaulting on their loans and having the capacity to be successful.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

In FY16 there are one-time cost for 2 FTEs in capital outlays for standard office setup (\$2,595 ea. x 2 FTEs = \$5,190). All remaining costs would be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	129,480	129,480	258,960
B	Employee Benefits	38,495	38,495	76,990
C	Personal Service Contracts	0	0	0
E	Goods and Services	94,585	94,585	189,170
G	Travel	33,933	33,933	67,866
J	Capital Outlays	5,190	0	5,190
T	Intra-Agency Reimbursements	0	0	0
Total Objects		301,683	296,493	598,176

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: P1 PWAA Local Project Assistance
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

The Public Works Board is established to enhance local governments' ability to manage and finance their infrastructure systems by providing easy access to resources, training opportunities, collaboration and coordination with funding partners and provide hands on assistance with project development and developing new resources. This proposal will assist 200 local governments and special purpose districts statewide to improve local knowledge of sound business practices, financing options, management approaches, and accountability/performance measurement extending the useful lives of infrastructure systems, reducing operating and capital costs, and providing residents with highly effective and accountable government systems.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	058-1	Public Works Asst Acct	404,055	389,628	793,683
Total Cost			404,055	389,628	793,683
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		3.4	3.4	3.4

Package Description:

Background

Communities in Washington State are dealing with aging, deteriorated infrastructure that is overdue for replacement. The 2013 Report Card for Washington's Infrastructure (conducted by the Seattle Section of the American Society of Civil Engineers) finds that overall, Washington State receives a cumulative grade of C for addressing the need to repair and replace these systems, and provide the funding to assist local governments in paying for the repairs and replacements. The Report Card concludes that a lack of planned, guaranteed funding and inadequate maintenance are reported across all categories of infrastructure: aviation, bridges, dams, drinking water, rail, roads, schools, solid and hazardous waste, and transit.

State and federal funding for infrastructure is decreasing but the needs are increasing. In FY 2013, the Public Works Board (PWB) received more than 300 applications for over \$1.0 billion in loan requests. This is especially revealing as to the need in that these are loan requests, not grant requests. Ultimately, funding for these projects was used for funding educational services rather than infrastructure improvements per legislative directive. In each of the past three years, we were only able to fund a combined total of 51 percent of funding requests received for the four largest state administered infrastructure funding programs for local governments (Drinking Water State Revolving Fund, Clean Water State Revolving Fund, Public Works Assistance Account, and Transportation Improvement Board).

The unfunded applicants (49 percent) either did not score high enough to be included on the funding list because their capacity to manage the project was too low or their ability to pay back the loan was too risky. Many of these projects did not have a public health and safety component that would have elevated their scores or they failed to meet all the requirements for the agency's funding. The need for infrastructure assistance still exists for these jurisdictions. Technical assistance by the PWB staff provides project applicants the necessary support to be competitive for future funding opportunities and to find additional resources.

Current Situation

The enabling Legislation, RCW 43.155.010 states that "It is the policy of the state of Washington to encourage self-reliance by local governments in meeting their public works needs and to assist in the financing of critical public works projects by making loans, financing guarantees, and technical assistance available to local governments..." The statute further defines technical assistance as: "...training and other services provided to local governments to: (a) help such local governments plan, apply, and qualify for loans and financing guarantees from the board, and (b) help local governments improve their ability to plan for, finance, acquire, construct, repair, replace, rehabilitate, and maintain public facilities."

In response to significantly decreased state and federal funding alternatives, combined with a rise in need, the PWB authorized an increased focus on technical assistance to local governments. The PWB assists local governments to develop and implement priority infrastructure projects in a number of ways: 1) training and education to help build community capacity to undertake projects and implement best management and financial practices; 2) helping communities to access both financial and non-financial resources needed to complete the project; 3) assisting communities in developing sustainable projects; and 4) coordinating and collaborating with federal and state funding partners and nonprofit resource organizations to provide the best services possible.

Washington's infrastructure construction funding programs place high priority on projects that are "shovel-ready." While both the Departments of Health and Ecology offer limited pre-construction funding, the amount of pre-construction funding has been dramatically reduced in recent years. The PWB's technical assistance services help communities prepare for funding by organizing "Technical Assistance Teams" which provide communities with enhanced access to information about funding options and strategies to make their projects ready to proceed, and increases the likelihood of funding.

Proposed Solution

If this proposal is funded, the PWB will be positioned to assist over 750 local government staff from over 200 jurisdictions. Priorities for technical assistance will be made in the following areas:

1. Making significant improvements in the financial management and general business practices of the local governments;
2. Assisting communities to access the information needed to implement high priority infrastructure projects by being the "first stop" in their funding search and coordinating technical assistance options needed to access the best available funding options;
3. Providing training and education to local governments to plan and implement high priority projects, incorporating best financial and business management practices, and establishing local finance mechanisms;
4. Ensuring that local government's priority projects are ready to take advantage of funding opportunities offered through the state's infrastructure financing system.

Division Budget Coordinator: Cindy Chavez, 360-725-3154
Agency Subject Matter Expert: Bruce Lund, 360-725-3163

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

At least 250 staff from 100 local governments will be trained on best practices for financial and operational management. Training and materials will be produced that will assist local governments with setting effective rate structures, developing local financing mechanisms, and effectively managing their assets.

All local governments requesting assistance will be referred to resources that the PWB has developed, or partners have available. The PWB expects that over 500 communities will take advantage of its *FirstStop Initiative*. The Board will manage and offer a referral service for infrastructure funding, training and related services. A core component is an online searchable catalogue of information that will point the user to a variety of resources. Staff will be available to answer questions, convene technical assistance meetings among potential funders, regulators, and other project stakeholders.

At least 75 local governments will receive project development assistance over the biennium. The PWB intends to position these local governments' priority projects to take advantage of all available federal, state and local resources.

This decision package will increase Commerce's ability to meet our mission to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and a sustainable infrastructure and our key goal: Reliable and Sustainable Infrastructure and the associated outcome: Build and Maintain Local Capacity. The PWB's technical assistance strategy also addresses providing comprehensive, customer focused technical assistance to local governments that builds capacity to carry out priority projects.

Performance Measure Detail

Agency Activity Code: A113

Agency Activity Title: Public Works Infrastructure Grants and Loans

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
Output Measures			
001436	Number of construction related jobs sustained through Public Works infrastructure investments	4,000	6,000
Efficiency Measures			
001437	Percent of projects completed on time, as per contract (within scope of work).	50%	60%

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This will increase Commerce's ability to meet our key goal: Reliable and Sustainable Infrastructure and the associated outcome: Build and Maintain Local Capacity. Local Government's ability to offer adequate infrastructure (such as roads that move goods, healthy drinking water, and effective wastewater disposal) is vital to accommodate allocated growth and enable economic development and business opportunities, while also maintaining the quality of life. This decision package directly enhances the ability of local government to provide these services as they are becoming increasingly expensive and complex to build and maintain. This is especially found in rural areas, where fewer people and larger distances to convey infrastructure equates to more expensive projects, on a per capita basis. This decision package addresses the issues found in many of these smaller communities as they increasingly struggle to fund basic infrastructure for its residents in their existing infrastructure because of lack of technical support.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports the Results Washington Goal 2: Prosperous Economy, specifically contributing to the reliable infrastructure outcome 3.1. The mission of the PWB is to provide financial and technical assistance to Washington communities for critical public health, safety, and environmental infrastructure that supports community and economic vitality.

This decision package supports the Results Washington Goal 3: Sustainable Energy and a Clean Environment. RCW 70.235.070 requires the PWB to consider, when awarding loan funds, whether the entity receiving funds has adopted policies to reduce greenhouse gas emissions and whether the project proposed for funding is consistent with Washington's limits on greenhouse gas goals to reduce vehicle miles traveled, and applicable federal emissions reduction standards. The PWB's staff assists jurisdictions with crafting such policies as well as interpreting this requirement.

What are the other important connections or impacts related to this proposal?

The PWB has strong support from its stakeholders and funding partners. The PWB's technical assistance effort does not replicate or compete with offerings provided by stakeholders and partners, but supplements these existing offerings to make our state stronger and more able to meet our obligations to provide citizens with critical public health, safety, and environmental infrastructure that supports community and economic vitality.

What alternatives were explored by the agency and why was this alternative chosen?

During the original design of the PWB service structure, extensive conversations were held with organizations and other state agencies. None had resources to address the needs in this specific technical assistance arena. The PWB considered not offering technical assistance services, but this appeared to the PWB as it would not be fulfilling its legislative commitments, and would ultimately negatively impact the quality of projects funded by the PWB and its funding partners. Additionally, many local governments have not been planning adequately to be able to reinvest their own resources into deteriorated infrastructure. By connecting local governments to existing training and developing additional training and resources on subjects such as: asset management, capital facility planning, rate setting, bonding, best practices in managing infrastructure systems as well as providing resources and hands-on assistance, local governments will be better positioned to maintain their systems and to successfully obtain funding for their infrastructure projects.

The PWB ultimately chose this set of services because of its commitment to develop a concerted effort to assist local governments with their management and financial capacity. The PWB also wants to ensure that its programs fund high quality projects that address local needs.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Local governments needing assistance will not be as competitive for funding as they would be by having PWB assistance. As a result, their infrastructure maintenance and replacement issues will become more critical and more expensive which may impact the health and safety of local communities.

What is the relationship, if any, to the state capital budget?

This request is central to the management of the capital budget associated with 058, Public Works Assistance Account (PWAA). Account 058 – PWAA is the resource base used to finance key local projects. RCW 43.155 directs this capital investment and it requires the PWB to provide technical assistance to local governments.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package requests funding for staff costs of \$389,628 per year for 3.0 Commerce Specialist 3 as well as 0.35 associated indirect FTEs to serve as lead staff for specific areas of responsibility. One will coordinate the Board's Training and Education Program. Another will lead the Board's FirstStop Initiative (online resource center), and another will be responsible for Project Development Coordination. In addition, each FTE will be responsible for serving as the point of contact on behalf of the PWB for specific regions around the state. These costs include \$15,000 for conference registrations and exhibitor costs and related expenses in order to market the Board's resources and services and provide visibility and networking with local governments and special purpose districts and travel costs.

It also includes one-time costs for staff equipment of \$14,427.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

In FY16 there are one-time cost for 3.0 FTEs in capital outlays for standard office setup (\$4,809 ea. x 3 FTEs = \$14,427). All remaining costs of \$389,628 are ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	194,220	194,220	388,440
B	Employee Benefits	57,743	57,743	115,486
C	Personal Service Contracts	0	0	0
E	Goods and Services	117,177	117,177	234,354
G	Travel	20,488	20,488	40,976
J	Capital Outlays	14,427		14,427
T	Intra-Agency Reimbursements			
Total Objects		404,055	389,628	793,683

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: P2 Transfer Dev Disabilities Council
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

This proposal transfers the Developmental Disabilities Council (DDC) and the Developmental Disabilities Endowment Trust Fund (DDETF) from the Department of Commerce into an independent office called the Office of Developmental Disabilities Council and Endowment Governing Board (Office)¹.

The Office will be established in a new Chapter of Title 43 in state law, becoming the “designated state agency” to fulfill Washington’s obligations under federal law. Draft legislation is being proposed.

The DDC and the DDETF will contract with the Small Agency Services to support human resources, budget, fiscal and payroll functions. IT and related services will be contracted for directly.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund - State	(57,000)	(57,000)	(114,000)
	001-2	General Fund - Federal	(1,319,511)	(1,243,403)	(2,562,914)
	263-1	Community/Econ Dev Fee	(327,084)	(327,640)	(654,724)
Total Cost			(1,703,595)	(1,628,043)	(3,331,638)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(10.0)	(10.0)	(10.0)
Revenue					
	Fund	Source	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	263-1	0622 Transfer Out	(250,000)	(280,000)	(530,000)
Total Revenue			(250,000)	(280,000)	(530,000)

Package Description:

Background

The DDC and DDETF are currently supported by 10.0 FTEs within the Department of Commerce (Commerce), providing direct staff support to both the DDC and DDETF, as well as budget, fiscal and contracting services, and implementing the Five Year State Plan for the DDC. The mission and focus of the DDC and DDETF is to assist people with developmental disabilities to live independent lives. The work of the staff is very unique within Commerce with very limited resources. The DDC receives approximately \$1.3 million in federal funding every year. Of this amount, only \$50,000 may be used for indirect costs. The DDETF is funded by fees generated by

¹ The official name of the Office is still pending and subject to change.

individual trust accounts. The transfer of the DDC, DDETF and supporting staff out of Commerce will allow them to better assist Washingtonians with development disabilities as well as result in cost savings to the state.

Small Agency Services estimates a cost of \$28,525 a year to purchase support services, with the exception of information technology support, based on a fee structure. Information technology, web services, and related support will be contracted separately and are estimated to cost an additional \$25,000 per year with this transfer. Federal law requires Maintenance of Effort (MOE) from the state for the DDC of \$57,000 per year. This will remain unchanged with this transfer.

Current Situation

This transfer will streamline the operating functions of the DDC and the DDETF and result in General Fund-State savings to the state.

Proposed Solution

In addition to the DDC and the DDETF, Commerce currently administers funding through multiple programs which also support the needs of people with developmental disabilities. Transferring the DDC and the DDETF into the new Office will avoid the potential for conflicting priorities created by multiple programs with diverse missions and priorities being administered in one agency.

An independent Office will ensure there are no policy conflicts that could occur as a result of multiple services. The focused mission of the Office will align with the legal requirements for a designated state agency to receive federal funding for these services.

In addition to policy alignment, the Office will achieve modest cost-savings to the state general fund. As a separate office, the Office will be able to purchase only the administrative services it needs and will be able to stay within the allowable reimbursement rate that is dictated in the Federal award. Due to federal limitations on indirect charges, other Commerce programs have absorbed the majority of indirect costs associated with the DDC and DDETF programs. The proposed transfer will remedy this issue.

Currently, the DDC and DDETF have \$153,025 available annually through a combination of state, federal, and private local funding, including an Interagency Agreement (IAG) with the Department of Social and Health Services, to pay for indirect costs. The Department of Commerce indirect charge for the DDC and DDETF is \$248,343 per year, leaving a gap of \$95,318. The Department of Commerce has absorbed that additional cost of \$95,318 per year. As their own Office, the DDC and DDETF estimate their indirect costs for Small Agency Services and IT to be \$58,800, almost all of which could be covered by the federal maintenance of effort funding of \$57,000 from the operating budget, saving \$94,225 per year.

Division Budget Coordinator: Connie Shumate, 360-725-2911

Agency Subject Matter Experts: Bill Cole, 360-725-3005 and Dawn Eychaner, 360-725-2999

Narrative Justification and Impact Statement:

Allowing the DDC and the DDETF to become an independent agency under the Executive Branch will reduce state indirect expenses that are not recovered because of the restrictions placed in this federal grant award.

As a separate office, the Office will be able to purchase only the administrative services it needs and will be able to stay within the allowable reimbursement rate that is dictated in the Federal award.

What specific performance outcomes does the agency expect?

This proposal transfers the DDC and the DDETF and does not have a significant impact on performance outcomes.

Performance Measure Detail

This proposal transfers the DDC and DDETF and does not have a significant impact on performance measures.

Agency Activity Code: A005

Agency Activity Title: Developmental Disabilities Council and Endowment

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This proposal supports the DDC's five-year strategic plan and will continue the valuable work that is currently being accomplished to advocate, inform and protect the state's individuals with intellectual and developmental disabilities and their families.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The transfer of the DDC and DDETF from Commerce to an independent agency supports the Results Washington Goal 5: Efficient, Effective, and Accountable Government by promoting responsible Resource Stewardship and Cost-Effective Government.

This request will continue the valuable work that is currently being accomplished to advocate, inform and protect the state's individuals with intellectual and developmental disabilities and their families at a lower cost to the state.

What are the other important connections or impacts related to this proposal?

Stakeholders include the Developmental Disabilities Council and the Developmental Disabilities Endowment Trust Fund Board who are in support of this proposal.

What alternatives were explored by the agency and why was this alternative chosen?

In 2014, Commerce requested addition General Fund-State funding to support the administrative costs of the DDC. This funding request was not included in the 2014 Supplemental Operating Budget.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

The consequence of not funding this request will result in Commerce continuing to subsidize the indirect costs of the DDC from other programs within the agency.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Executive Order 96-06 would need to be repealed and RCWs created to enact this recommendation. The DDETF is established in law in the Department of Commerce and agency request legislation is being developed to revise these RCWs.

Expenditure and revenue calculations and assumptions

Revenue:

All current fund balances and new revenues will transfer to the new Office.

Expenditures:

All current expenditure appropriations along with 10.0 FTEs will transfer to the new Office. The Council's offices and staff will remain in their current location (separate from Commerce) so no moving costs are associated with this request.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a transfer for the 2015-17 biennium and all savings to the state will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	(533,695)	(531,277)	(1,064,972)
B	Employee Benefits	(175,857)	(173,761)	(349,618)
C	Personal Service Contracts			0
E	Goods and Services	(274,103)	(288,507)	(562,610)
G	Travel	(110,000)	(135,000)	(245,000)
J	Capital Outlays	(9,000)	(9,000)	(18,000)
N	Grants	(880,581)	(781,639)	(1,662,220)
S	Inter-Agency Reimbursements	336,641	348,141	684,782
T	Intra-Agency Reimbursements	(57,000)	(57,000)	(114,000)
Total Objects		(1,703,595)	(1,628,043)	(3,331,638)

Agency: 103 Department of Commerce
Decision Package Code/Title: A0 Eliminate Advanced Planning Grant
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary:

To satisfy OFM's 15 percent agencywide reduction target, this proposal eliminates funding for advanced planning grants. Advanced planning grants have supported environmental permitting activities around manufacturing for aerospace and other key economic growth centers. Elimination of this funding creates additional available state funding that could be used to reduce the impacts of budgetary reductions to other services that are imperative to meet the Department of Commerce's goals and outcomes to better serve the citizens of Washington.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(1,250,000)	(1,250,000)	(2,500,000)
Total Cost			(1,250,000)	(1,250,000)	(2,500,000)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.3)	(0.3)	(0.3)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to Commerce's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Chapter 1, Laws of 2013 appropriated \$2.0 million to the Department of Commerce for grants to assist local governments with the cost of preparing an environmental analysis that advances environmental permitting activities surrounding current and future large manufacturing sites for aerospace and economic development growth sites. The amount was biennialized to \$2.5 million since the original authorizing legislation did not begin until approximately half-way through the fiscal year.

Current Situation

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by Commerce based on immediate public needs. While all options considered were difficult, the result is a recommended elimination of this grant in order to provide potential funding sources for other required programs which are managed by Commerce.

Proposed Solution

Eliminating the advanced planning grants will allow these General Fund-State dollars to be used towards more critical programs as we look toward potential budget shortfalls in the upcoming biennium.

Division Budget Coordinator: Lee Elliott, 360-725-3012
Agency Subject Matter Expert: Jeff Wilson, 360-725-3055

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Advanced planning grants did not have an established outcome measure. This proposed reduction is eliminating funding for a new program. There is no current client base for this program.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A035
Agency Activity Title: Community Economic Revitalization Board and Program

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

The advanced planning grants did contribute to Commerce's key goal: Growing Economies and the associated outcome: Health Economic Climate, but that is no longer an immediate need.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This reduction is associated with the Result's Washington Goal: Prosperous Economy. However, at this time Commerce believes there are more immediate needs for this funding.

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs and statutory requirements. While all options considered were difficult, the result is a recommended reduction of \$2.5 million per biennium for advanced planning grants.

This program primarily focused on environmental review for major aerospace and economic development growth sites. It directly affected a marginal number of local governments in the state and a limited portion of the state's population. By taking this reduction it will allow other state funding to be used for other priority services.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

This proposed package will result in the reduction of \$2,500,000 in each FY16 and FY17 in dedicated advance planning grants for environmental permitting activities around manufacturing for aerospace and other key economic growth centers.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduce funding for advanced planning grants by \$1,212,500 per year to assist local governments with the cost of preparing an environmental analysis that advances environmental permitting activities surrounding current and future large manufacturing sites for aerospace and economic development growth sites. It also reduces staff costs of \$37,500 per year for 0.3 Commerce Specialist 3, as well as 0.03 associated indirect FTEs that provide program support.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	(19,422)	(19,422)	(38,844)
B Employee Benefits	(5,774)	(5,774)	(11,548)
C Personal Service Contracts			
E Goods and Services	(12,304)	(12,304)	(24,608)
G Travel			
J Capital Outlays			
N Grants	(1,212,500)	(1,212,500)	(2,425,000)
T Intra-Agency Reimbursements			
Total Objects	(1,250,000)	(1,250,000)	(2,500,000)

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Agency: 103 Department of Commerce
Decision Package Code/Title: A1 Reduce Communications and Outreach
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for communication and outreach that supports events and trade missions, social media, copywriting, and project management. This will reduce Department of Commerce's ability to provide support for economic development speeches, presentations, events and special projects, such as the Choose Washington recruitment magazine and some internal Commerce events. Some functions can be shifted to other BSD staff, but at a greatly reduced rate. Economic development capacity in the area of communication and outreach, including to our associate economic development organization partners, will be lost or diminished.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(65,813)	(65,813)	(131,626)
Total Cost			(65,813)	(65,813)	(131,626)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.6)	(0.6)	(0.6)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

The Department of Commerce's mission is to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and sustainable infrastructure. To attain this mission, Washington State must have a strong business community. The Business Services Division (BSD) of Commerce provides support to businesses to ensure their success and sustainability.

Current Situation

The BSD has been cut repeatedly since 2009. In order to reach the 15 percent reduction target directed by OFM the division has proposed a five percent reduction to our Associate Development Organization contracts and an 80 percent reduction to our contract with the Northwest Agriculture Business Center. However, additional reductions were still needed to meet the reduction requirements.

Proposed Solution

In order to meet the reduction requirements BSD will further reduce our communications and outreach activities.

Division Budget Coordinator: Karen McArthur, 360-725-4027

Agency Subject Matter Expert: Robb Zerr, 206-256-6111

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The division expects to lose some internal capacity in the areas of writing, event management (legislated Associate Development Organization meetings, Commerce events), facilitation, and project management.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A163

Agency Activity Title: Business Development

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce to meet our strategic goals; however, may be necessary in order to achieve the reductions needed at a statewide level.

Communication and outreach work increases Commerce's ability to meet our mission to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and a sustainable infrastructure and our key goal: Growing Economies and the associated outcomes: Increased Investment in Washington State and Healthy Economic Climate. Without funding to do the communications, outreach, and awareness functions Commerce will have less ability to achieve these mission, goals, and outcomes.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This reduction is associated with the Result's Washington Goal: Prosperous Economy. In order to alleviate the effects of this reduction communication and outreach will be handled by existing BSD staff to the extent possible.

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

The state's economy continues to slowly recover from the latest recession and with revenues not bouncing back as quickly as anticipated, the state's Office of Financial Management has asked state agencies to prioritize reductions equal to 15 percent. The Business Services Division within Commerce has experienced several major cuts since 2009. This division once supported 71 FTEs and several economic development initiatives such as tourism, regional offices, small business loan programs, and grants to Washington Microenterprise Association and Impact

Washington, and now has only 27.5 FTE. We considered reductions to core business services but found they would significantly diminish the state's ability to perform economic development, requiring complete restructuring and elimination of core economic development services. Reducing support for communication, outreach and awareness functions will have negative impacts, but is estimated to have less impact than other areas of service.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

The consequences of this reduction proposal would be less in-house staff to support BSD's recruitment, retention, expansion, and trade activities in the areas of information development, media relations, trade mission support, key messaging to support Governor and Commerce economic development initiatives, and planning support.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding for staff costs of \$65,813 per year for 0.50 Commerce Specialist 3 as well as 0.07 associated indirect FTEs that provide recruitment, retention, expansion, and trade activities in the areas of information development, media relations, trade mission support, key messaging to support Governor and Commerce economic development initiatives, and planning support.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-2017 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	(32,370)	(32,370)	(64,740)
B	Employee Benefits	(15,175)	(15,175)	(30,350)
C	Personal Service Contracts			
E	Goods and Services	(18,268)	(18,268)	(36,536)
G	Travel			
J	Capital Outlays			
T	Indirect			
	Total Objects	(65,813)	(65,813)	(131,626)

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: A2 Reduce Local Govt Fiscal Note Prog
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Local Government Fiscal Note Program (LGFN) in the 2015-17 biennium which will affect the quality and timeliness of the fiscal notes produced by the program. The LGFN program produces fiscal notes at the request of the Legislature during session, and provides fiscal analysis about upcoming legislation and initiatives for the legislative and executive branches outside of session. LGFN's goal is to provide objective, timely, accurate, and thorough fiscal analysis that allows policymakers to make data-driven decisions regarding proposed legislation involving local governments.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(11,812)	(11,812)	(23,624)
Total Cost			(11,812)	(11,812)	(23,624)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.1)	(0.1)	(0.1)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

More than a quarter century ago the director of the Department of Commerce's predecessor agency chaired a Local Governance Study Commission. This group published a two-volume report that included, "The Quiet Crisis of Local Governance in Washington." The researchers found that "Washington local governments are fighting a losing battle to fulfill their responsibilities in today's changing world. Their powers fall short of their problems; their structures are often outdated, and hard to change; most of all, their revenues are inadequate to the services they are expected or required to perform."

This is neither the first nor the last Washington study that has pointed out the increasingly precarious state of local government finances. The creation of the Local Government Fiscal Note Program in 1977 was part of an effort to ensure that state-level policymakers had accurate and – most importantly – objective information about how proposed legislation could impact counties, cities, and most special districts.

LGFN is not just an important source of data analysis that Commerce can tap to fulfill its strategic goal of increasing community capacity. Local government fiscal notes end up on the desks of more legislators and their

staff than anything else Commerce publishes. That's because LGFN is the largest producer of fiscal notes of any state agency – far ahead of the Department of Revenue, the Administrative Office of the Courts, and the Department of Social and Health Services.

This is also why LGFN -- despite its relatively small budget -- can have an outsized impact on the state's entire fiscal note process.

Current Situation

The LGFN program produces fiscal notes at the request of the Legislature during session, and provides fiscal analysis about upcoming legislation and initiatives for the legislative and executive branches outside of session. LGFN's goal is to provide objective, timely, accurate, and thorough fiscal analysis that allows policymakers to make data-driven decisions regarding proposed legislation involving local governments. This reduction proposal will affect the timeliness of the fiscal note analysis provided. However, when determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction to the LGFN program.

Proposed Solution

This budget proposal will eliminate one FTE month of LGFN staff capacity. Since the program does not have control over the number of fiscal note requests it receives, this will translate into reduced timeliness, accuracy, and depth of fiscal notes.

Reduced LGFN capacity – such as a higher number of revisions – could add to the workload of OFM reviewers and delay the release of complete fiscal note packages.

The proposed cut will also reduce LGFN's capacity to provide fiscal analysis outside of legislative sessions.

But most of all, the proposal could jeopardize a success story that is the result of a little innovation and a whole lot of persistent entrepreneurial spirit over the last seven years.

Division Budget Coordinator: Darleen Muhly, 360-725-5030

Agency Subject Matter Expert: Steve Salmi, 360-725-5034

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The Local Government Fiscal Note Program is one of Commerce's most advanced users of performance metrics. This partly reflects LGFN's ability to draw upon hard numbers provided by the fiscal note system. These measures come from OFM data that allows LGFN to compare its performance with other agencies as well as to assess the performance of individual staff members. This data has powerfully informed the process improvements LGFN has made over the last decade.

In addition, since 1997 LGFN has administered an annual customer satisfaction survey. This year's survey was sent to almost 700 people and received 91 responses. Although this is not a random-sample survey, it provides somewhat useful quantitative and qualitative feedback on the program's performance as well as suggestions for follow-up research. The types of customers the survey is sent to include readers (most notably, legislators and their staff), OFM reviewers, and other state agencies that produce fiscal notes and local government officials who respond to information queries.

The performance measure targets listed below assume that the budget proposal will have a negative impact. The largest impact is expected to be with timeliness, the output measure. This is partly due to LGFN's reduced ability to ramp up staffing during the peak part of legislative sessions, when more than 100 fiscal notes requests could be assigned during a single week.

In general, LGFN has found that the single most important factor which has influenced program performance has been the level of staff experience. For example, the 2014 timeliness record of 95 percent was achieved by a cohort that entered the 2014 session with 28 sessions of prior experience – another all-time record. Performance targets for 2015 are lower because four experienced staff members have recently left the program. By the same token, over the last 20 years the most significant performance declines have occurred when the program manager has changed. This is why the staffing structure was dramatically restructured in 2007 to emphasize continuity.

Performance Measure Detail

Agency Activity Code: A106

Agency Activity Title: Local Government Fiscal Notes

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
002665	Customer Survey Rating of Overall Satisfaction With Local Government Fiscal Notes (FY 2015 target: 4.29 on a 1-5 scale)	-0 .6	None
	Output Measures		
001322	Percentage of local government fiscal notes completed within five working days	-4%	None
	Efficiency Measures		
002667	Percentage of Local Government Fiscal Notes Submitted That Didn't Require a Revision	1.6%	None

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce to meet our strategic goals; however, may be necessary in order to achieve the reductions needed at a statewide level.

The Local Government Fiscal Note Program is aligned with the agency goal of increasing community capacity by providing policymakers with the data analysis needed to weigh decisions that could impact local governments. This service is particularly important during an era when counties, cities, and special districts may face increasing budgetary pressures that could restrict their ability to partner with Commerce to achieve a wide range of economic and community development goals.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This program supports efficient, effective, and accountable government. Note that the Local Government Fiscal Note Program submits draft notes directly to OFM rather than through the normal Commerce fiscal note process. In this regard LGFN functions as a separate agency.

As discussed below, LGFN is the state's largest producer of fiscal notes, so a reduction in its capacity could impact OFM.

What are the other important connections or impacts related to this proposal?

The intent of LGFN's authorizing statute was to help state-level policymakers avoid unfunded mandates on local governments by gaining access to an objective source of information. LGFN has been funded by the state rather than local sources in order to protect its actual and perceived objectivity.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$23,624 per biennium to the LGFN funding.

Also, Commerce has explored other revenue sources for this program by capturing a small portion of the local liquor taxes similar to how the Municipal Services Research Center is funded. Those discussions are ongoing but they remain controversial with stakeholders.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

The most obvious impact of this cut will be reduced timeliness. This is an important consideration given the rapid pace of legislative sessions; a top-notch fiscal note is useless if it is submitted too late. However, the even bigger long-term impact will be a reduction in the consistency of fiscal note quality.

LGFN has consistently produced the largest number of fiscal notes of any agency, so any performance problems will impact OFM staff who manages the system. For example, LGFN's revision rate for 2014 was 7.8 percent, which was less than half the state-wide average of 18.8 percent.

Outside of legislative sessions, OFM draws upon LGFN to produce "unofficial" fiscal notes for bill concepts developed in the executive branch as well as fiscal analysis of initiatives. The proposed cut will reduce LGFN's capacity to be responsive to these requests.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding for the LGFN program in staff costs by \$11,812 per year for 0.10 of a Commerce Specialist 3 as well as 0.01 associated indirect FTEs.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and all costs will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>		
A	Salaries and Wages	(6,474)	(6,474)	(12,948)		
B	Employee Benefits	(1,925)	(1,925)	(3,850)		
C	Personal Service Contracts			0		
E	Goods and Services	(3,413)	(3,413)	(6,826)		
G	Travel					
J	Capital Outlays					
T	Intra-Agency Reimbursements					
Total Objects		(11,812)	(11,812)	(23,624)		

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: A3 Eliminate Evergreen Jobs Program
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal eliminates funding for the Evergreen jobs program. Washington's Evergreen Jobs Act (ESSHB 2227) assigned the Evergreen Jobs Leadership Team the responsibility of fulfilling the goals of the act, including coordination of Washington's efforts to secure federal training funds for the green economy. Commerce used this funding to provide technical assistance or directly contribute to grants applications on renewable energy projects and veterans' employment projects. Eliminating of this program will reduce our ability to pursue those grants.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(13,404)	(13,404)	(26,808)
Total Cost			(13,404)	(13,404)	(26,808)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.1)	(0.1)	(0.1)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

Commerce has been using this funding to support grant writing and other coordination efforts aligned with the mission of the Evergreen Jobs Initiative which is to ensure that federal training and education funds are captured and deployed to support green economy growth. Due to lagging economy this proposal is put forward as a reduction in lieu of other priorities.

Proposed Solution

Commerce staff participation on the Evergreen Jobs Leadership Team is paid out of their ongoing funding, so this funding decrease would not affect Commerce's participation in the Evergreen Jobs Leadership Team. However, it would eliminate funding used to support the efforts through research or grants development. The elimination of this program would reduce our ability to do this work.

Division Budget Coordinator: Darleen Muhly, 360-725-5030
Agency Subject Matter Expert: Cheryl Smith, 360-725-2808

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The elimination of Evergreen Jobs funding will not have a noticeable impact on the agency's goals.

Performance Measure Detail

This decision package does not link to any specific performance measure; however it does link to the activity listed below:

Agency Activity Code: A106
Agency Activity Title: Local Government Fiscal Notes

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce to meet our strategic goals; however, may be necessary in order to achieve the reductions needed at a statewide level.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This reduction is associated with Results Washington Goal 2: Prosperous Economy and Goal 3: Sustainable Energy and a Clean Environment. However, the reduction of this program would not affect Commerce's participation in Evergreen Jobs Leadership Team because the Leadership Team is paid out of their ongoing funding. However, it would eliminate funding used to support those efforts through research or grants development. .

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

Eliminating this program, while it reduces our ability to pursue grants, is preferable than taking reductions in other critical program areas.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

This funding has been used for research grants development related to the Evergreen Jobs Act. Elimination this program would reduce our ability to pursue these grants.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding for the Evergreen Jobs program in staff costs by \$13,404 per year for 0.10 of a Commerce Specialist 3 as well as 0.01 associated indirect FTEs.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-2017 biennium and all costs will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>		
A	Salaries and Wages	(6,474)	(6,474)	(12,948)		
B	Employee Benefits	(1,925)	(1,925)	(3,850)		
C	Personal Service Contracts	(1,854)	(1,854)	(3,708)		
E	Goods and Services	(3,151)	(3,151)	(6,302)		
G	Travel					
J	Capital Outlays					
T	Intra-Agency Reimbursements					
Total Objects		(13,404)	(13,404)	(26,808)		

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: A4 Eliminate Family Prosperity Account
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal eliminates the Family Prosperity Account (FPA). This program cannot sustain effective service levels with additional budget reductions and is therefore recommended for elimination. Although this program has positive impacts on the financial literacy and growth of low income individuals, the services provided through the FPA are not essential to supporting the immediate needs of low income individuals and families in crisis. Due to concerns with program sustainability and the priority of these services in comparison to other immediate need services provided by the Department of Commerce, FPA elimination is recommended.

Fiscal Detail

Operating Expenditures		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1 General Fund-State	(233,500)	(233,500)	(467,000)
Total Cost		(233,500)	(233,500)	(467,000)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

Any budget reduction short of complete elimination will create challenges for the FPA to sustain effective service levels. The services provided through the FPA are not essential to supporting the immediate needs of low income individuals and families in crisis, thus creating a lower priority for these services in comparison to other immediate need services provided through the department.

Proposed Solution

Eliminating the FPA will allow these General Fund-State dollars to be used more effectively as we look toward potential budget shortfalls in the upcoming biennium. Elimination of this program creates additional available state funding that could be used to reduce the impacts of budgetary reductions to other priority services.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Diane Fay, 360-725-2903

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

FPA funding is often utilized by local organizations to complement various services for low income individuals. A measure of services not delivered as a result of the proposed elimination of the FPA is difficult to estimate.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A168
Agency Activity Title: Asset Building for Working Families

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The FPA program supports the Results Washington Goal 4: Healthy and Safe Communities. Within this goal this program helps vulnerable populations become independent and self-sufficient by improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1). Eliminating the FPA will reduce our ability to meet this goal.

What are the other important connections or impacts related to this proposal?

Elimination of FPA will likely generate concerns from stakeholders such as the Asset Coalition and various banking institutions.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended elimination of the FPA program.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Adopting this reduction package will eliminate the only state funded program designed to help low income individuals and families improve their financial literacy, access fair banking services, and move toward a stronger financial portfolio that may help families gain self-sufficiency.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package eliminates funding passed through to local organizations by \$235,500 per year that supports individuals and families improve their financial literacy, access fair banking services, and move toward a stronger financial portfolio that may help families gain self-sufficiency.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This funding is eliminated for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A	Salaries and Wages	0	0	0
B	Employee Benefits	0	0	0
C	Personal Service Contracts	0	0	0
E	Goods and Services	0	0	0
G	Travel	0	0	0
J	Capital Outlays	0	0	0
N	Grants	(233,500)	(233,500)	(467,000)
T	Intra-Agency Reimbursements	0	0	0
Total Objects	(233,500)	(233,500)	(467,000)	

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: A5 Reduce NW Ag Business Center Funds
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Northwest Agriculture Business Center (NABC) by 80 percent. The NABC works to improve the economic viability of agriculture within northwest Washington by providing a range of services to assist farmers in converting commodity production into value-added products and assisting in bringing the farm to market. Washington State has supported the NABC since 2006. The NABC provides support to farmers within five Washington counties.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(140,317)	(140,317)	(280,634)
Total Cost			(140,317)	(140,317)	(280,634)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Established in 2006, the Northwest Agriculture Business Center (NABC) provides northwest Washington farmers in Island, San Juan, Skagit, Snohomish, and Whatcom counties with the skills and the resources required to profitably and efficiently supply their products to consumers, retailers, wholesalers, foodservice operators, and food manufacturers by providing business resources and hands-on guidance to new or existing businesses that provide value-added or innovative agricultural products or services.

Current Situation

Commerce has contracted with the NABC since the Legislature appropriated funding to the organization in Fiscal Year 2006. Since 2009, Commerce's economic development programs have experienced FTE and funding cuts resulting in elimination of our tourism office, regional offices, overseas contracts, and business development initiatives. Further cuts to Commerce's Business Services Division core services will significantly diminish the state's ability to provide statewide business development and trade services. However, additional reductions were still needed to meet the reduction requirements.

Proposed Solution

Commerce supports the activities and mission of the NABC; however, faced with choosing between services benefiting statewide business/economic development activities versus those benefiting only five of the state's 39 counties Commerce proposes to reduce funding for the NABC.

Division Budget Coordinator: Karen McArthur, 360-725-4027

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The NABC estimates that it made substantial contributions to creating at least 200 full time jobs in the state of Washington since 2006. Commerce has a performance based contract with NABC to provide business assistance for farms and value-added agriculture business and farm-based businesses in Whatcom, Skagit, Island, San Juan and Snohomish counties. The NABC has been providing data and measureable results for three key goals:

- 1) Provide business development services through a client relationship with individual farms and related businesses:
 - Business planning;
 - Marketing;
 - Access to financing;
 - Technical assistance; and
 - Product testing.
- 2) Provide business development services to groups of farmers:
 - Developing resource materials;
 - Communication of information;
 - Presenting workshops and training programs; and
 - Providing access to educational opportunities provided by others.
- 3) Develop the appropriate infrastructure to support business development for northwest Washington agriculture including:
 - Processing facilities;
 - Appropriate distribution and transportation services;
 - Access to markets; and
 - Source of operating funds and risk capital.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A163
Agency Activity Title: Business Development

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package in the budget is not essential to implement a strategy identified in the agency's strategic plan, but may be essential to achieve the reductions needed at a statewide level.

NABC contributes to our agency's strategic plan and key goals by helping rural areas share in economic prosperity, infrastructure, and the agriculture industry. The NABC has demonstrated expertise in providing technical assistance and accomplishing effective outcomes in rural areas to promote and assist the development of cooperatively and mutually owned businesses. The NABC began in April of 2006 to support farmers and agriculture-related businesses. The strategic plan adopted by the NABC Board which is updated annually with agricultural industry input has six elements: client services, infrastructure development, regional market development, collaboration, communication, and organizational development. The purpose of the NABC Client Services program is to provide technical assistance and accomplish effective outcomes to promote and assist the development of farms and related businesses.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This reduction is associated with the Result's Washington Goal: Prosperous Economy. The work of the NABC supports this goal. Agriculture is one of the target industry sectors for the Governor. The mission of the NABC is to improve the economic vitality of the agriculture industry within the northwest Washington counties of Island, San Juan, Skagit, Snohomish and Whatcom by providing business resources and hands-on guidance to new or existing businesses that provide value-added or innovative agricultural products or services.

What are the other important connections or impacts related to this proposal?

The work of the NABC is made possible by support from the agricultural industry, communities, and producers and consumers who share NABC's values and vision. The NABC programs are funded in part by: United States Department of Agriculture – Rural Development; United States Department of Agriculture – Agricultural Marketing Service; Washington State Department of Commerce; Washington State Department of Agriculture; Washington State University; Skagit County, Island County; King County; city of Seattle; Port of Skagit County; Cascade Harvest Coalition; Klesick Family Farm; Meritage Soups; Not Yet Foundation; Skagit Farmers Supply; Snohomish Co-op; Sustainable Connections; Town & Country Markets; Whatcom Community Foundation – Sustainable Whatcom Fund; and Whidbey Island Bank.

What alternatives were explored by the agency and why was this alternative chosen?

The state's economy continues to slowly recover from the latest recession and with revenues not bouncing back as quickly as anticipated, the state's Office of Financial Management has asked state agencies to prioritize reductions equal to 15 percent. The Business Services Division within Commerce has experienced several major cuts since 2009. This division once supported 71 FTEs and several economic development initiatives such as tourism, regional offices, small business loan programs, and grants to Washington Microenterprise Association and Impact Washington, and now has only 27.5 FTE. We considered reductions to core business services but found they would significantly diminish the state's ability to perform economic development, requiring complete restructuring and elimination of core economic development services. Reducing support for NABC will have negative impacts, but is estimated to have less impact than other areas of service.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

The consequences of taking this reduction will impact the match requirements the NABC needs for its federal grants. Local jurisdictions, Island, San Juan, Skagit, Snohomish and Whatcom counties and cities within those counties may be impacted by having to provide the match that the state currently provides. The federal dollars to the program was four times the match provided.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This proposal will reduce the contract between Commerce and the NABC by \$140,317 per year.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-2017 biennium and will be ongoing

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages			
B	Employee Benefits			
C	Personal Service Contracts			
E	Goods and Services			
G	Travel			
N	Grants	(140,317)	(140,317)	(280,634)
T	Intra-Agency Reimbursements			
Total Objects		(140,317)	(140,317)	(280,634)

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: A6 Reduce Walla Walla CC EnvCenter
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Walla Walla Community College Water and Environmental Center grant to 20 percent of the current funding level. This grant provides funding to assist the Center with program development, including outreach, curriculum, strategies, and related planning goals of the school. Reducing this funding creates additional available state funding that could be used to reduce the impacts of budgetary reductions to other services that are imperative to meet the Department of Commerce's goals and outcomes to better serve the citizens of Washington.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(300,000)	(300,000)	(600,000)
Total Cost			(300,000)	(300,000)	(600,000)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to Commerce's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. Consideration was given to the priority of the programs in comparison to others required by statute or administered by the Division based on immediate public needs. Commerce currently manages a grant to Walla Walla Community College Water and Environmental Center to support the operations of their water and environmental center. This grant falls outside of Commerce's core mission of supporting businesses, local governments, and communities of Washington. While all options considered were difficult, the result is a recommended reduction of this grant in order to provide potential funding sources for other required programs which are managed by Commerce. Funding for this program was originally initiated via a Proviso approved in the 2013 Operating budget and has remained in the budget as a proviso.

Proposed Solution

Reducing the Walla Walla Community College Water and Environmental Center grant to 20 percent of the current funding level will allow these General Fund-State dollars to be used as a more effective state resource as we look toward potential budget shortfalls in the upcoming biennium.

Division Budget Coordinator: Lee Elliott, 360-725-3012
Agency Subject Matter Expert: Jeff Wilson, 360-725-3055

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The Walla Walla Community College Water and Environmental Center grant provides funding to expand the mission and scope and the economic and social benefits of the center. There is no specific performance outcome measure expected of this program. Reduced funding to this program will still enable the center to continue its mission, but at a reduced level.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A104
Agency Activity Title: Growth Management

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This program does not contribute to Commerce's strategic plan and key goals.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The Walla Walla Community College Water and Environmental Center provides funding to assist the Center with program development, including outreach, curriculum, strategies, and related planning goals of the school. This activity supports the Results Washington Goal 1: World Class Education.

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

The alternative to reduced funding at the 20 percent level was to eliminate all funding for the program. By taking this reduction it will allow other state funding to be used for other priority services.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Adoption of this package will result in the reduction of \$300,000 in each FY16 and FY17 in operating funds for the Walla Walla Community College Water and Environmental Center. This reduction will allow Commerce to focus on funding projects within its core mission.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding passed through for Walla Walla Community College Water and Environmental Center grants by \$300,000 per fiscal year.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A Salaries and Wages				
B Employee Benefits				
C Personal Service Contracts				
E Goods and Services				
G Travel				
J Capital Outlays				
N Grants	(300,000)	(300,000)	(600,000)	
T Intra-Agency Reimbursements				
Total Objects	(300,000)	(300,000)	(600,000)	

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State of Washington
Decision Package

FINAL

Agency: **103 Department of Commerce**
Decision Package Code/Title: **A7 Reduce WA New Americans Program**
Budget Period: **2015-17**
Budget Level: **PL-Performance Level**

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Washington New Americans Program (WNAP) which assists legal immigrants navigating through the naturalization process and gaining citizenship. WNAP is recommended for an 80 percent reduction due to the priority of the services the program provides in comparison to more immediate need programs administered by the Department of Commerce.

Fiscal Detail

Operating Expenditures		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1	General Fund-State	(316,800)	(316,800)	(633,600)
Total Cost		(316,800)	(316,800)	(633,600)
Staffing		<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
FTEs		(0.2)	(0.2)	(0.2)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

Services provided through the WNAP are not essential to supporting the immediate needs of low income individuals and families, thus creating a lower priority for these services in comparison to other immediate need services provided through the department.

Proposed Solution

Taking a reduction from the WNAP will be a more effective use of state dollars and resources as we look toward potential budget shortfalls in the 2015-17 biennium. Moving forward in this manner will allow other state funding to be used for other priority services.

Division Budget Coordinator: Connie Shumate, 360-725-2911

Agency Subject Matter Expert: Joyce Beebe, 360-725-4143

Narrative Justification and Impact Statement:

The WNAP will have completed intakes for 1,400 people seeking services in Fiscal Year 2014. If the program is reduced by 80 percent, approximately 1,120 people will not be served in future fiscal years.

What specific performance outcomes does the agency expect?

An 80 percent reduction to the WNAP will reduce the number of people seeking services by approximately 1,120 per year.

Performance Measure Detail

Agency Activity Code: A179

Agency Activity Title: New Americans

Incremental Changes

FY 2016

FY2017

Outcome Measures

001100 Number of program participants completing N-400 applications for citizenship (1,120)

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Build and Maintain Local Capacity.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The WNAP supports the Results Washington Goal 4: Healthy and Safe Communities. Within this goal this program helps vulnerable populations become independent and self-sufficient by improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1). Reducing WNAP may slightly reduce our ability to achieve these goals.

What are the other important connections or impacts related to this proposal?

This reduction will generate concerns from the primary stakeholder for this program, One America.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommendation to reduce the WNAP by 80 percent due to its priority when compared to other programs meeting the immediate needs of individuals and households in crisis.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Reducing the WNAP will impact the state's ability to assist legal immigrants navigating through the naturalization process and gaining citizenship.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding for WNAP by \$297,000 per year for assistance to legal immigrants navigating through the naturalization process and gaining citizenship. It also reduces staff costs of \$19,800 per year for 0.1 Commerce Specialist 2 and 0.1 Commerce Specialist 1 as well as 0.02 associated indirect FTEs that provide program support.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A	Salaries and Wages	(10,126)	(10,126)	(20,252)	
B	Employee Benefits	(3,357)	(3,357)	(6,714)	
C	Personal Service Contracts				
E	Goods and Services	(6,317)	(6,317)	(12,634)	
G	Travel				
J	Capital Outlays				
N	Grants	(297,000)	(297,000)	(594,000)	
T	Intra-Agency Reimbursements				
	Total Objects	(316,800)	(316,800)	(633,600)	

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: A8 Reduce Retired Senior Volunteer Prog
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Retired Senior Volunteer Program (RSVP) by 15 percent resulting in fewer volunteers trained that support a variety of community based programs. This reduction also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(46,211)	(46,211)	(92,422)
Total Cost			(46,211)	(46,211)	(92,422)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

The RSVP organizes a network of volunteers who donate time supporting organizations and services in their communities. This program provides resources that support a variety of community based programs and the organizations that administer them. The recommended reduction to RSVP is 15 percent, a percentage proportionate to the overall agency General Fund-State reduction proposal.

Proposed Solution

Reducing RSVP by 15 percent sustains adequate levels of funding so the program can continue to operate, although in a less effective manner. Moving forward in this manner will allow other state funding to be used for other priority services.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Diane Fay, 360-725-2903

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

RSVP funds are used to train senior volunteers at local agencies. A reduction to RSVP will result in fewer volunteers trained, however a measure of this reduction is difficult to estimate.

Performance Measure Detail

Agency Activity Code: A019

Agency Activity Title: Train and maintain volunteers supporting community capacity

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
001087	Number of Volunteer Placements	-1,180	-1,180

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Build and Maintain Local Capacity.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The RSVP supports the Results Washington Goal 4: Healthy and Safe Communities. Within this goal this program helps vulnerable populations become independent and self-sufficient by improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1). Reductions to this program will reduce our ability to meet these goals.

What are the other important connections or impacts related to this proposal?

This reduction will generate concerns from the Washington Association of Retired Seniors Volunteer Program (WARSVP).

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of 15 percent to the RSVP.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Reductions to RSVP should have a minimal impact on the program. The contracted association receiving the funding, the WARSVP, also receives funding through entities other than Commerce. A reduction of \$87,210 per biennium will not impact WARSVP's match requirements to secure federal funding.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding passed through to the Washington Retired Seniors Volunteer Program by \$43,605 per year. It also reduces staff costs of \$2,606 per year for 0.02 Commerce Specialist 2 FTE that provide program support and also includes \$311 per year associated to division operations.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

Object Detail		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A	Salaries and Wages	(1,217)	(1,217)	(2,434)	
B	Employee Benefits	(421)	(421)	(842)	
C	Personal Service Contracts				
E	Goods and Services	(968)	(968)	(1,936)	
G	Travel				
J	Capital Outlays				
N	Grants	(43,605)	(43,605)	(87,210)	
T	Intra-Agency Reimbursements				
Total Objects		(46,211)	(46,211)	(92,422)	

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: A9 Reduce State Drug Task Forces
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to the multi-jurisdictional State Drug Task Forces that disrupt and dismantle gangs and illegal drug organizations. This proposed 15 percent reduction will result in a loss of two investigative positions at local law enforcement agencies and approximately seven fewer disruptions of at least five gang or drug organizations. This reduction also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(96,019)	(96,019)	(192,038)
Total Cost			(96,019)	(96,019)	(192,038)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General-Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

State Drug Task Force (SDTF) funding contributes to community health and safety by supporting a multi-jurisdictional effort to disrupt and dismantle gang drug organizations.

Proposed Solution

The proposed reduction to the SDTF funding will result in the loss of two investigative positions at the local level and reduced enforcement of gang and drug crime.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Bill Johnson, 360-725-3030

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The reduced funding for investigative positions at the local level is expected to reduce the number of drug trafficking organizations disrupted or dismantled by 15 percent.

Performance Measure Detail

Agency Activity Code: A177

Agency Activity Title: Criminal Justice Investments

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
001324	Number of drug trafficking organizations disrupted/dismantled	10	10

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This reduction will reduce our ability to mobilize and enhance local assets that strengthen community ability to meet the social needs of Washington's families, workers, and employees. This negatively impacts Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

SDTF supports Results Washington Goal 4: Healthy and Safe Communities. Within this goal, SDTF helps contribute to Protection and Prevention. Reduced funding will decrease local community's ability to disrupt gang or drug organizations.

What are the other important connections or impacts related to this proposal?

Stakeholders are likely to strongly oppose a reduction to this program. Key stakeholders include local law enforcement agencies and the Washington State Patrol.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$192,038 per biennium to the SDTF. As the only source of state funding to support a multi-jurisdictional approach to combatting drug and gang activity, cuts to this program could result in the loss of participating local task forces.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Reducing this funding by \$192,038 will result in the loss of two investigative positions at the local level, which is expected to reduce the number of drug trafficking organizations disrupted or dismantled by 15 percent.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding to the SDTF program by \$90,605 per year to support gang drug task forces. A \$5,414 per year reduction to program administration in travel and equipment purchases, including \$646 per year reduction for division operations will be taken as well.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages			0
B Employee Benefits			0
C Personal Service Contracts			
E Goods and Services	(5,245)	(5,245)	(10,490)
G Travel	(169)	(169)	(338)
J Capital Outlays			
N Grants	(90,605)	(90,605)	(181,210)
T Intra-Agency Reimbursements	0	0	0
Total Objects	(96,019)	(96,019)	(192,038)

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B0 Reduce Associate Dev Org Funding
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this reduction proposal recognizes the importance of the relationship the department has with the Associate Development Organization (ADO) network by recommending a five percent (rather than 15 percent) reduction to the funding appropriated to the ADOs. One of the most widely understood lessons of economic development efforts is that state government cannot do all that is required to bolster a state's economy. In order to maximize the effectiveness of our efforts we rely on our partnerships with local communities and the ADO network.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(147,557)	(147,557)	(295,114)
Total Cost			(147,557)	(147,557)	(295,114)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Associate Development Organizations have been partners to the state's economic development agency for decades. It is their responsibility to be the eyes and ears of the department and to make Commerce aware of trends that will lead to the growth or loss of jobs in their community. Their focus has been to monitor and evaluate almost every facet of job attraction, retention, expansion, and creation within their local areas.

Current Situation

Job-creation strategies are becoming increasingly differentiated among localities and are driven largely by local economic development organizations. It is impossible for Commerce to have one economic development strategy that fits every county. ADOs provide this linkage to the department by not only keeping us informed but also providing flexibility depending on the local economic needs. As the budgets of these organizations are tightened, it is now more difficult for the ADOs to make the necessary changes that may occur as a result of the economic climate of their community and to develop and execute job creation programs that provide both immediate- and long-term impacts specific to each county.

ADOs have become much more diverse in their scope of trying to create jobs and grow their economy. They may deal with everything from the more traditional job-attraction types of activities, to workforce preparedness and talent development, so that the key industry clusters in our area have the talent to continue to grow the workforce that these industries need.

ADOs deal with entrepreneurship. This includes everything from providing small business loans, incubators, and mentoring services to grow the entrepreneurs in our community, so that we grow Washington from within. ADOs have become more involved in international trade development, particularly where we have a business base that is interested in growing their business overseas. ADOs are involved in technology commercialization This includes working with major universities and colleges and private research institutions to take cutting-edge research and find ways to commercialize it to grow new businesses.

There is more to creating jobs than attracting a business and the ADOs are a major player and partner in achieving our state's goals. Just as a business may require their technical assistance, the ADOs require funding to make this happen.

Proposed Solution

Reduced funding to the ADOs would decrease jobs and business growth or expansion for both the long-term and short-term. This will be especially true in rural communities who will have to lay off people dependent on Commerce's funding and whose responsibility it is to assist small businesses and entrepreneurs. It will also adversely affect the relationship with the state because it will make it difficult to acquire information necessary for a company interested in relocating to the state or to assist a company in trouble in a timely manner. Unfortunately during this tough economic time, this was one of the areas the department had to look to in order to meet the required 15% reduction target.

Division Budget Coordinator: Karen McArthur, 360-725-4027
Agency Subject Matter Expert: Maury Forman, 206-256-6110

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

This reduction will have a negative impact. Reduced funding will put Washington at a competitive disadvantage in business attraction and allow better funded state economic development programs to target our businesses. ADOs will have less time to help businesses grow or recognize signs that indicate a business may be in trouble. The ADO reporting will include fewer business visits and fewer companies assisted and it will take them more time to produce information and data to the state. As a result rather than a growing economy as our strategic plan calls for, the result will be a stagnant economy in many parts of the state.

Performance Measure Detail

Agency Activity Code: A163
Agency Activity Title: Business Development

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
001148	Businesses recruited, retained, or expanded	-5.00%	-5.00%
	Outcome Measures		
001149	Jobs created and retained	-20	-20

001150	Outcome Measures Private Investment Leveraged	-5.00%	-5.00%
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Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce to meet our strategic goals; however, may be necessary in order to achieve the reductions needed at a statewide level.

In Commerce's strategic plan our mission is to grow and improve jobs with a specific goal of improving economic performance in rural areas. The rural ADOs and their communities will be the ones that will be hit the hardest with any reduction in their funding. Many rural communities have lower incomes, higher poverty rates, worse health outcomes, and lower educational attainment than urban and suburban areas. In addition, migration to Washington is not evenly distributed among all counties, with many rural counties showing negative net migration. Seventy-five percent of the state's total population increase occurred in the five largest metropolitan counties: Clark, King, Pierce, Snohomish, and Spokane, whose economic activity continues to attract migrants. Many youth are leaving the rural areas searching for jobs in urban areas rather than becoming the backbone of their current communities for decades to come.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision will not support the department's priorities. It also contradicts the Results Washington Goal 2: Prosperous Economy. One of the priorities promotes empowering our partners to be agents for change but the change will require a reduction in services to our taxpayers which will have a negative effect on the state budgets as businesses decide to close or relocate. This will also have a negative impact on low- and moderate-income households whose dream of starting their own business will be impacted with limited technical assistance available.

The reduction in funding will also impact one of the strategies for the Governors Jobs program that includes technical assistance for entrepreneurs that participate in Global Entrepreneurship Week. The ADOs are responsible for providing the technical assistance necessary for these startup businesses to succeed. With reduced funding, it is unlikely that they will be able to include entrepreneurship as part of their economic development strategies.

What are the other important connections or impacts related to this proposal?

Rural Americans are an integral part of our military. Although rural residents account for 17 percent of the U.S. population, they make up 44 percent of the men and women who serve in uniform. In fact, approximately 6.1 million veterans currently live in rural communities. In Washington State there are 602,272 veterans; over 50 percent, 306,403, live in rural counties. Despite their contributions, many of our veterans face enormous economic challenges. The unemployment rate among post-September 11 veterans is 12.4 percent. ADOs in rural communities act as important sources of technical assistance to those who want to start a business or improve their skills.

Unfortunately rural counties are more sensitive to changes in state revenue and expenditure decisions than higher-wealth, faster-growing urban counties because they are constrained in the tools, like revenue, available to them. Reduced funding will make it even more difficult to help grow and improve jobs for many rural areas most likely target groups, youth, and military.

Some ADOs may be able to find additional funding elsewhere. However, many will not which will result in limited services for their communities.

What alternatives were explored by the agency and why was this alternative chosen?

The state's economy continues to slowly recover from the latest recession and with revenues not bouncing back as quickly as anticipated, the state's Office of Financial Management has asked state agencies to prioritize reductions equal to 15 percent. The Business Services Division within Commerce has experienced several major cuts since 2009. This division once supported 71 FTEs and several economic development initiatives such as tourism, regional offices, small business loan programs, and grants to Washington Microenterprise Association and Impact Washington, and now has only 27.5 FTE. We considered reductions to core business services but found they would significantly diminish the state's ability to perform economic development, requiring complete restructuring and elimination of core economic development services.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

The reduction of funding to the ADOs will be significant, especially as it relates to our rural communities. This includes:

- Reduced services for job creation targets like youth, military, and underserved populations
- Slower response time to site selectors
- Fewer business visits
- Shorter hours for technical assistance
- Inability to maintain state of the art tools for economic development
- Higher unemployment
- Fewer business start-ups
- More business closures
- Less revenue for state
- Higher migration patterns from rural communities
- Entrepreneurs may seek to start their businesses in other states
- State caught by surprise by the decision of a company to relocate elsewhere

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This reduction represents an across the board 5 percent reduction to ADO contracts totaling \$147,557 per year.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-2017 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages			
B	Employee Benefits			
C	Personal Service Contracts			
E	Goods and Services			
G	Travel			
N	Grants	(147,557)	(147,557)	(295,114)
T	Intra-Agency Reimbursements			
Total Objects		(147,557)	(147,557)	(295,114)

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B1 Reduce Dispute Resolution Centers
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to Dispute Resolution Centers (DRC). DRC support community efforts to provide low-cost mediation services to resolve disputes between parties and prevent additional costs to courts. This proposed reduction will result in decreased services, fewer resolved cases, and less trained mediators. This also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(75,305)	(75,305)	(150,610)
Total Cost			(75,305)	(75,305)	(150,610)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

DRC funding contributes to community health and safety by supporting low-cost alternatives to court proceedings.

Proposed Solution

The proposed reduction to the DRC funding will result in approximately 850 fewer mediated cases statewide per year.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Bill Johnson, 360-725-3030

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Reducing this funding by \$150,610 per biennium will result in approximately 15 percent or 850 fewer mediated cases and 1,500 fewer mediators receiving introductory or specialty mediation training per year.

Performance Measure Detail

Agency Activity Code: A019
Agency Activity Title: Train and Maintain Volunteers, Mediators, and Counselors

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
001098	Number of non-litigation cases	-850	-850

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

Reducing DRC funding will reduce our ability to mobilize and enhance local assets that strengthen community ability to meet the social needs of Washington's families, workers and employers. This negatively impacts Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

DRC supports Results Washington Goal 4: Healthy and Safe Communities. This reduction will reduce our ability to contribute to this goal.

What are the other important connections or impacts related to this proposal?

Stakeholders will oppose any cuts to this program. Local courts may see increased caseloads as a result of reduced DRC capacity. Key stakeholders include Resolution Washington and Dispute Resolution Centers.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$150,610 per biennium to the DRCs. Funding for DRCs is important to maintain as it leverages a large group of volunteers and reduces court costs.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

This reduction will result in approximately 850 fewer cases mediated and reduced training for new and experienced mediators.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding passed through to the DRC program by \$72,750 per year as well as \$2,555 per year for program and division administration.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages			
B Employee Benefits			
C Personal Service Contracts			
E Goods and Services	(2,405)	(2,405)	(4,810)
G Travel	(150)	(150)	(300)
J Capital Outlays			
N Grants	(72,750)	(72,750)	(145,500)
T Intra-Agency Reimbursements			
Total Objects	(75,305)	(75,305)	(150,610)

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B2 Reduce Homeless Assistance
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces homeless assistance (HA) funding, resulting in 773 fewer homeless people receiving emergency assistance annually and 154 additional homeless people living outside at a point in time.

The Consolidated Homeless Grant (CHG) combines state resources into a single grant for local providers to support an integrated system of housing assistance. CHG funds prevent homelessness and secure permanent housing for needy households (those who are homeless or at imminent risk of becoming homeless). Local support has already been reduced due to a decline in the document recording fees collected by counties.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(565,212)	(565,212)	(1,130,424)
Total Cost			(565,212)	(565,212)	(1,130,424)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the Department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General-Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

The HA appropriation funds rental assistance and facility costs for homeless housing under the CHG. Eliminating this funding source would reduce CHG contracts by 1.6 percent and result in approximately 773 fewer homeless people being provided emergency housing during the 2015-17 biennium.

Current Situation

Washington State, in partnership with local governments, the federal government, and private funders, supports a network of emergency shelters, transitional housing, and rent assistance statewide. Although this system has been effective in reducing homelessness, there still remain an estimated 6,289 people living unsheltered at a point in time. "Point in time" comes from the Point in Time Count of homeless people which counts everyone who is homeless during the third Thursday of each January.

Proposed Solution

This proposal eliminates the HA appropriation of \$1,130,424, resulting in 773 homeless people who will not receive emergency housing assistance. An estimated 80 percent of those people will be unable to find other housing options resulting in an estimated 154 additional people experiencing homelessness during the 2015-17 biennium.

Division Budget Coordinator: Connie Shumate, 360-725-2911

Agency Subject Matter Expert: Tedd Kelleher, 360-725-2930

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Outcomes of this reduction include:

Increase in the number of unsheltered homeless people at a point in time by about 154 people (from 6,289 to 6,443).

Performance Measure Detail

Agency Activity Code: A157

Agency Activity Title: Homeless Housing and Assistance

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
002630	Number of homeless people	154	154

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Build and Maintain Local Capacity.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The HA funding supports the Results Washington Goal 4: Healthy and Safe Communities. Within this goal this program helps vulnerable populations become independent and self-sufficient by improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1.c): Decrease number of homeless people from 17,775 in 2013 to 16,000 in 2015 (a 10 percent reduction). This proposal will increase this measure by about 154 people at a point in time (a one percent increase).

What are the other important connections or impacts related to this proposal?

Homeless housing stakeholders will oppose this reduction, especially given a reduction in local document recording fee revenue that has already led some communities to reduce current and future funding levels for housing providers. This reduction will exacerbate these existing cuts at the local level, which in some cases are more than 20 percent.

What alternatives were explored by the agency and why was this alternative chosen?

The agency considered further reductions in the Housing and Essential Needs (HEN) program to offset a reduction in this funding source. However, elimination of this funding was chosen because of the extreme need and vulnerability of the population served by HEN.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

An estimated 154 additional people will be homeless at a point in time or on any given day.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding passed through to local providers by \$565,212 per year for rent assistance for approximately 773 people. Average cost to provide rent assistance to an individual per incidence of homelessness: \$1,463.

Reduction: \$1,463 x 773 people = \$1,130,424

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages			
B Employee Benefits			
C Personal Service Contracts			
E Goods and Services			
G Travel			
J Capital Outlays			
N Grants	(565,212)	(565,212)	(1,130,424)
T Intra-Agency Reimbursements			
Total Objects	(565,212)	(565,212)	(1,130,424)

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B3 Reduce Long Term Care Services
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Long-term Care Ombuds Program (LTCOP) and Adult Family Home (AFH) program by 10 percent. These programs meet immediate needs of individuals by advocating on behalf of and protecting residents of long-term care facilities from abuse, neglect, and exploitation. These resources are vital to the health and safety of Washington residents, and any budgetary reductions should be as minimal as possible.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(111,120)	(111,120)	(222,240)
Total Cost			(111,120)	(111,120)	(222,240)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

Since 2011, the LTCOP has taken large budgetary cuts to in federal funding. Prior to the loss of the federal Title XIX funding in August 2011, the program was funded over two-thirds federal and less than one-third by the state. Now the program is funded by over two-thirds state and less than one-third federal. Any significant cuts in state funding will have immediate impacts on Commerce's ability to meet the requirements of the program. The LTCOP and AFH are the only programs that advocate on behalf of and protect long-term care residents from abuse, neglect, and exploitation.

Proposed Solution

Due to the recent loss of funding to LTCOP and the high-priority services and protections that this program provides to long-term care residents, the proposal attempts to minimize budgetary reductions. This proposal recommends 10 percent reductions to LTCOP at \$171,336 per biennium and the AFH program at \$50,903 per biennium.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Cecil Daniels, 360-725-2862

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Reductions to these programs will lessen the quality of services that clients receive. The Long Term Care Ombudsman's presence at facilities will be reduced, affecting the department's capacity to adequately oversee the care being received at those facilities as well as the well-being of the residents. The handling of complaints by residents could be delayed and investigations could take longer to complete.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A012
Agency Activity Title: Long-Term Care Ombudsman Program

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Build and Maintain Local Capacity.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The LTCOP and AFH programs support the Results Washington Goal 4: Healthy and Safe Communities. Reducing funding for these programs will reduce our ability to meet this goal.

What are the other important connections or impacts related to this proposal?

Stakeholders are not expected to have significant concerns about this proposal. Primary stakeholder groups include the Long-term Care Ombudsman State Office, the Multi-Service Center, the Elder Bar Association, and other elder law groups and advocates.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended 10 percent reduction to the LTCOP and AFH.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Adopting this reduction package will have minimal impacts. The LTCO program receives one-third of its funding from federal sources, which will help to offset small cuts to the program. The proposed reductions to these programs are minimal and should not have an impact on the ability of the programs to fulfill their respective missions. Considering the cuts to these programs are below the average cuts of 15 percent, we foresee very little stakeholder advocacy in opposition to this proposal.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding passed through to the LTCOP and AFH program by \$111,120 per year.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages			
B Employee Benefits			
C Personal Service Contracts			
E Goods and Services			
G Travel			
J Capital Outlays			
N Grants	(111,120)	(111,120)	(222,240)
T Intra-Agency Reimbursements			
Total Objects	(111,120)	(111,120)	(222,240)

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B4 Reduce Community Svcs Block Grant
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Community Services Block Grant (CSBG) by 15 percent. CSBG provides funding support to the Community Action Network which provides services to reduce poverty. This reduction also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(167,922)	(167,922)	(335,844)
Total Cost			(167,922)	(167,922)	(335,844)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.1)	(0.1)	(0.1)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

The CSBG is an important funding stream for our state's Community Action Network. CSBG is some of the most flexible funding for operating expenses and can be used toward a multitude of community based programs. This program provides resources that support a variety of community based programs and the organizations that administer them. The recommended reduction to CSBG is 15 percent, a percentage proportionate to the overall agency General Fund-State reduction proposal.

Proposed Solution

Reducing CSBG by 15 percent sustains the program, although in a less effective manner. Moving forward in this manner will allow other state funding to be used for other priority services.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Diane Fay, 360-725-2903

Narrative Justification and Impact Statement:

CSBG is flexible funding used for anti-poverty activities by Community Action agencies around the state. Because of its flexibility, CSBG is often combined with other funds to complement various services for low-income individuals. Because these funds are often blended in conjunction with other funds, it is difficult to estimate the impact on services as a result of this reduction.

What specific performance outcomes does the agency expect?

Reducing CSBG will likely have negative impact on our state's Community Action Network.

Performance Measure Detail

Agency Activity Code: A003

Agency Activity Title: Community Services Block Grant

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Outcome Measures		
001069	Percent of low income individuals receiving one or more non-emergency services From a community action agency who make progress during this period.	(15%)	(15%)

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Build and Maintain Local Capacity.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The CSBG program supports the Results Washington Goal 4: Healthy and Safe Communities. Within this goal this program helps vulnerable populations become independent and self-sufficient by improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1). Reducing funding for CSBG reduces our ability to meet these goals.

What are the other important connections or impacts related to this proposal?

This reduction will generate concerns from Washington State Community Action Programs (WSCAP) and community action agencies.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$335,844 per biennium to the CSBG funding, including \$2,258 of division operations.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Direct impacts of the CSBG reduction are difficult to determine because of the flexible application of the funding by local agencies. CSBG can be used for any purpose related to reducing poverty. This flexibility allows CSBG to support various activities at community action agencies across the state.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding passed through to the Community Action agencies by \$158,453 per year for anti-poverty work. It also reduces staff costs of \$9,469 per year for 0.1 Commerce Specialist 2 that provide program support, which includes 0.01 division operations FTE that are responsible for communications, budget, and policy support of CSHD. Reducing capacity in these areas may result in less proactive and strategically planned initiatives on behalf of the division. Our ability to respond to external stakeholders such as the media, policy makers, budget writers, and others will be reduced. This also reduces 0.01 associated indirect FTE as well.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A Salaries and Wages	(4,934)	(4,934)	(9,868)	
B Employee Benefits	(1,481)	(1,481)	(2,962)	
C Personal Service Contracts				
E Goods and Services	(3,054)	(3,054)	(6,108)	
G Travel				
J Capital Outlays				
N Grants	(158,453)	(158,453)	(316,906)	
T Intra-Agency Reimbursements				
Total Objects	(167,922)	(167,922)	(335,844)	

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B5 Reduce Victim/Witness Services
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to the Victim/Witness Assistance Program (VWA). In 2013, county prosecutors' offices reported that the VWA helped in the prosecution and/or resolution of 21,362 crimes. VWA provided 99,114 contacts with victims and witnesses during 2013. If this proposed reduction is taken, victim/witness assistance will not be provided in approximately 3,204 criminal cases and assistance to an estimated 14,867 victim contacts from 38 prosecutors' offices across the state will not be provided. This reduction also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(224,027)	(224,027)	(448,054)
Total Cost			(224,027)	(224,027)	(448,054)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.4)	(0.4)	(0.4)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

Successful prosecution of crimes often requires victim testimony. Victims of crime, especially violent crime, require intensive support and assistance in working with the criminal justice system. VWA provided by the county prosecutor's offices include assisting victims with filing for Crime Victims Compensation, working with county prosecuting attorney's in notification to victims of hearings and other court proceedings, restitution, victim impact statements, criminal justice support, protection orders, victims' rights information, and information and referral to local non-profit agencies for added support and services.

A reduction of \$190,725 per year in funding will impact the capacity of 38 county prosecutors' offices to provide VWA services to victims of crime. Staff will not be able to provide adequate services such as pre-trial meetings, accompaniment to hearings, assistance with safety planning, notification of hearing dates, filing for Crime

Victims Compensation and support. This reduction would also limit the amount of staff time available to provide technical assistance to prosecutors' offices across the state. An administrative reduction of \$33,302 per year will also mean a reduction of 0.3 FTE to provide administrative support and decreased travel related to on-site monitoring and technical assistance visits.

The lack of assistance for victims and witnesses will undermine the effectiveness in prosecuting criminal cases. It will also be a missed opportunity to strengthen the prosecuting of criminal cases and support victims in connecting them with other important resources and preparing them for trial. Decreasing the capacity of communities to prosecute and address violent crime would further diminish the community's ability to provide the critical support needed to restore the health and safety of victims. Victim/witness assistance staff work with victims of sexual assault, child abuse, domestic violence, drunk and drugged driving, elder abuse, hate crimes, kidnapping, physical assault, robbery, stalking, homicide, trafficking in persons, and vehicular assault. Prosecuting these violent crimes and supporting victims and witnesses will improve communities' capacity to provide for the health and welfare of residents.

Proposed Solution

While there is great concern over the negative impact of this reduction, in order for Commerce to reach its 15 percent reduction target management had to make tough decisions about programs while attempting to keep the highest priority programs for the citizens of Washington. After rounds of cuts through the years agencies are left with no choice but to reduce some critical programs such as VWA.

Division Budget Coordinator: Connie Shumate, 360-725-2911
Agency Subject Matter Expert: Chris Fenno, (360) 725-2896

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

This reduction to VWA will decrease 3,204 cases receiving services per year.

Performance Measure Detail

Agency Activity Code: A011			
Agency Activity Title: Strengthening Criminal Justice Response to Victims of Crime		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
Output Measures			
002009	Number of Victims Receiving Service	-3,204	-3,204

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

A reduction in funding to 38 prosecutors' offices will reduce local capacity to support VWA services for victims of violent crime. It will negatively impact our ability to meet our key goal: Vibrant Communities and the associated outcome: Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The Governor's Results Washington priorities include Goal 4: Health and safe communities. Reduced funding to VWA will negatively impact Goal 4 because it will limit assistance available to victims and witness during criminal prosecution. Limiting assistance to victims will decrease their ability to understand the criminal justice system and their rights under state law as crime victims, which may result in an increase in unsuccessful prosecutions of violent crime in cases where the victim's testimony is crucial to a conviction.

What are the other important connections or impacts related to this proposal?

Stakeholders will strongly oppose any cuts to this program. Reduced VWA services may result in fewer successful prosecutions of cases requiring victim testimony to convict. Key stakeholders include county prosecutors and victim advocacy groups.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$448,055 per biennium to the VWA program.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Reducing funding for victim/witness assistance will diminish community capacity to assist victims of violent crime with needed activities such as safety planning, understanding protection and no contact orders, making claims for restitution, and submitting victim impact statements.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding the VWA program by \$5,019 per year for each of the 38 participating county prosecutors' offices for victim/witness assistance. It also reduces staff costs by \$33,302 per year for 0.2 Administrative Assistant 3, 0.1 Office Assistant 3, 0.03 WMS Band 2, and 0.03 Commerce Specialist 3 that provide administrative support, staff supervision, and on-site monitoring and technical assistance visits. The FTE impacted by this reduction are responsible for communications, budget, and policy support of CSHD. Reducing capacity in these areas may result in less proactive and strategically planned initiatives on behalf of the division.

Our ability to respond to external stakeholders such as the media, policy makers, budget writers, and others will be reduced. This also reduces 0.03 associated indirect FTE as well.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-2017 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	(17,301)	(17,301)	(34,602)
B	Employee Benefits	(6,131)	(6,131)	(12,262)
C	Personal Service Contracts			
E	Goods and Services	(9,870)	(9,870)	(19,740)
G	Travel			
J	Capital Outlays			
N	Grants	(190,725)	(190,725)	(381,450)
T	Intra-Agency Reimbursements			
	Total Objects	(224,027)	(224,027)	(448,054)

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B6 Reduce Crime Victim Services
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding to the Crime Victims Service Center (CVSC) program by 10 percent. Without this funding, approximately 5,980 hours of advocacy services will not be provided to about 1,005 victims by advocates at 45 agencies across the state per year. This reduction also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(67,229)	(67,229)	(134,458)
Total Cost			(67,229)	(67,229)	(134,458)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.1)	(0.1)	(0.1)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Current Situation

The Crime in Washington 2013 report compiled and distributed by the Washington Association of Sheriffs and Police Chiefs identified more than 27,000 instances of child abuse, financial fraud, robbery, vehicular assault, vehicular homicide and homicide in 2013 alone.

Victims of crime, especially violent crime and cyber crime, require intensive support and assistance while working with the criminal justice system and financial systems. Advocacy services provided by the crime victim service centers include assisting victims with filing for Crime Victims Compensation, working with county prosecutor's offices and local law enforcement, providing medical and legal advocacy, therapy, support groups, information and referrals, and providing crisis intervention.

Proposed Solution

A 10 percent reduction to CVCS will impact the capacity of 45 agencies to provide advocacy services to victims of crime. Advocates will not be able to provide adequate services such as accompanying victims to hearings, providing assistance with safety planning, and crisis intervention support. This reduction will also limit the amount of staff time available to provide technical assistance to victim services organizations across the state, travel, on-site monitoring, and staff attendance at regional crime victim service center meetings.

Division Budget Coordinator: Connie Shumate, 360-725-2911
 Agency Subject Matter Expert: Chris Fenno, 360-725-2896

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

A 10 percent reduction to the CVSC program will eliminate an estimated 5,980 hours of advocacy services to about 1,005 victims of crime and 160 median agency hours by advocates at 45 agencies across the state per year.

Performance Measure Detail

Agency Activity Code: A008
 Agency Activity Title: Services to Victims of Crime

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Output Measures		
002010	Median Hours of Service Delivery	-160	-160

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

A reduction in funding of 45 agencies to support advocacy for victims of violent crime and cyber crime will limit their capacity to meet the social needs of Washington's families. This negatively impacts Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

CVSC supports Results Washington Goal 4: Healthy and Safe Communities. Within this goal, CVSC helps victims of crime receive the support they need, thereby improving Stability and Sufficiency (Goal 4, Outcome Measure 3.1). Reduced funding will limit the assistance available to help victims with understanding their options and the services available to them decreasing the health and safety of communities.

What are the other important connections or impacts related to this proposal?

Stakeholders will strongly oppose any program cuts. Key stakeholders include Crime Victim Service Centers and the Washington Coalition of Crime Victim Advocates.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a 10 percent recommended reduction of \$134,458 per biennium to the CVCS program.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Further reductions to advocacy services will severely diminish the capacity to assist victims of violent crime and cyber crime with needed activities such as safety planning and protection orders.

The lack of advocacy for victims will undermine the effectiveness of services for victims of crime, and will also be a missed opportunity to connect victims of crimes with other important resources. Decreasing the capacity of communities to address violent crime would further diminish the community's ability to provide the critical support needed to restore the health and safety of victims.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding to the CVCS program by \$57,235 per year for pass-through, which is \$1,272 per year for each of the 45 contracted provider agencies. It also reduces staff costs of \$9,994 per year for 0.09 Commerce Specialist 2 FTE that provides program support, on-site monitoring, technical assistance visits, and attending regional crime victim service center meetings. Within the staff reduction cost per year, \$861 per year is associated to division operations. This also reduces 0.01 associated indirect FTE as well.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

Object Detail	FY 2016	FY 2017	Total
A Salaries and Wages	(4,800)	(4,800)	(9,600)
B Employee Benefits	(1,428)	(1,428)	(2,856)
C Personal Service Contracts			
E Goods and Services	(3,766)	(3,766)	(7,532)
G Travel			
J Capital Outlays			
N Grants	(57,235)	(57,235)	(114,470)
T Intra-Agency Reimbursements			
Total Objects	(67,229)	(67,229)	(134,458)

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State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B7 Reduce Sexual Assault Services
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces the Sexual Assault Services program by 15 percent. This program provides comprehensive crisis intervention, advocacy, and therapeutic services to more than 13,000 sexual assault and abuse victims and their families each year. This reduction will result in lost services for approximately 4,063 victims of sexual assault and reduce funding for program administration at the Department of Commerce. Reductions in program administration costs will result in reduced staff support and fewer on-site monitoring visits. This reduction also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(1,163,738)	(1,163,738)	(2,327,476)
Total Cost			(1,163,738)	(1,163,738)	(2,327,476)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.8)	(0.8)	(0.8)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

Sexual assault victims need intensive support and assistance to alleviate trauma, enhance recovery from sexual assault, gain access to the legal system, and represent their interests and uphold their rights throughout the legal process. Comprehensive sexual assault victim services include crisis intervention, information and referral, legal advocacy, medical advocacy, general advocacy, support groups and therapeutic interventions.

Current Situation

A reduced level of advocacy and support services for victims of sexual assault will impede survivors' recovery from trauma and undermine their access to justice through the legal system. Reduced community capacity to address and ameliorate the effects of sexual assault will have an adverse effect on overall community health and vitality.

Proposed Solution

A 15 percent reduction to Sexual Assault Victims Services will cut \$1,074,838 per year to local agencies for sexual assault victim services and \$88,900 per year to Commerce to administer the program. The reduction in pass through funds will impact the capacity of 73 agencies and Tribes to provide comprehensive advocacy and support services. This reduction to sexual assault programs may result in the inability to provide adequate services such as in-person advocate support at forensic rape exams, accompaniment to court processes, or crisis intervention and could result in or exacerbate wait-lists for therapy services.

The reduction to Commerce will reduce administrative support, supervision and program implementation and will limit monitoring, site visits, and attending annual sexual assault services community planning meetings. It will also reduce the availability of technical assistance for sexual assault programs across the state.

Division Budget Coordinator: Connie Shumate, 360-725-2911

Agency Subject Matter Expert: Stephanie Condon, 360-725-2889

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

A 15 percent reduction to the Sexual Assault Services program will reduce the number of survivors of sexual assault receiving services by 4,063 and reduce median agency hours by 240 per year.

Performance Measure Detail

Agency Activity Code: A008

Agency Activity Title: Services to Crime Victims

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
Output Measures			
002010	Median Hours of Service Delivery	-240	-240

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

A reduction in funding for 73 agencies and Tribes for the provision of comprehensive advocacy and support services to victims of sexual assault will impede community capacity to meet health and social needs. This negatively impacts Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

Services for victims of sexual assault support Results Washington Goal 4: Healthy and Safe Communities. Within this goal, sexual assault services helps victims of sexual assault receive the support and advocacy they need, thereby improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1). Reduced funding will impede sexual assault victims' recovery from trauma and their access to justice through the legal process thereby adversely impacting community health and safety.

What are the other important connections or impacts related to this proposal?

Stakeholders will express significant concerns regarding negative impacts to communities. Key stakeholders include the Washington Coalition of Sexual Assault Programs, Washington Coalition Against Domestic Violence, tribal sexual assault program providers, community-based sexual assault programs, and local government sexual assault program providers.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$2,327,476 per biennium to this program.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Further reductions to sexual assault victims' services will diminish vital services to victims of sexual assault and adversely impact community health and safety.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding to Sexual Assault Victims Services by approximately \$30,500 per year for each of the 73 agencies and Tribes. It also reduces staff costs of \$88,900 per year for 0.13 WMS Band 1, 0.13 Administrative Assistant 3, 0.13 Office Assistant 3, 0.1 Commerce Specialist 3, 0.27 Commerce Specialist 2 that provide program support and supervision, on-site monitoring, technical assistance visits, and attending sexual assault services community planning meetings. The FTE impacted by this reduction are responsible for communications, budget, and policy support of CSHD. Reducing capacity in these areas may result in less proactive and strategically planned initiatives on behalf of the division. Our ability to respond to external stakeholders such as the media, policy makers, budget writers, and others will be reduced. This also reduces 0.08 associated indirect FTE as well.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
A	Salaries and Wages	(41,776)	(41,776)	(83,552)	
B	Employee Benefits	(13,332)	(13,332)	(26,664)	
C	Personal Service Contracts				
E	Goods and Services	(30,792)	(30,792)	(61,584)	
G	Travel	(3,000)	(3,000)	(6,000)	
J	Capital Outlays				
N	Grants	(1,074,838)	(1,074,838)	(2,149,676)	
T	Intra-Agency Reimbursements				
	Total Objects	(1,163,738)	(1,163,738)	(2,327,476)	

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B8 Reduce Domestic Violence Victim Svcs
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for Domestic Violence Victim Advocacy (DVLA) services 10 percent. The recent "Crime in Washington" report stated more than 46,000 domestic violence offenses including 43 murders occurred in Washington in 2013. Lack of advocacy and safety planning for Domestic Violence Protection Order petitioners is a critical gap in the protections available to victims. This will result in a loss of approximately 9,000 hours of legal advocacy services for 1,500 clients by 48 community-based organizations across the state per biennium and reduces the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(147,885)	(147,885)	(295,770)
Total Cost			(147,885)	(147,885)	(295,770)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.2)	(0.2)	(0.2)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

A large part of legal advocacy includes assisting victims with petitions for orders of protection. Petitioning for a protection order without any accompanying advocacy can increase the danger for some victims. In two cases where the victims were murdered, a range of professionals had advised the victim to obtain a protection order, but neither victim met with an advocate to make a comprehensive safety plan or consider whether the abuser was likely to intensify his violence in response to the order. This reduction in services will put victims of domestic violence at increased risk.

Current Situation

Reduced advocacy for victims will undermine the effectiveness of a protection order and will also result in missed opportunities to connect victims with other important resources. Decreasing the capacity of communities to address domestic violence will further diminish the community's ability to provide the critical support needed to restore the health and safety of victims.

Proposed Solution

A 10 percent reduction for DVLA will impact the capacity of 48 community-based organizations to provide legal advocacy services to victims. Legal advocates will not be able to provide adequate services such as accompaniment to protection order hearings, assistance with safety planning, or immigration assistance. This reduction will also limit the amount of staff time available to provide technical assistance to victim services organizations across the state.

Division Budget Coordinator: Connie Shumate, 360-725-2911

Agency Subject Matter Expert: Pearl Gibson, 360-725-2891

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

A 10 percent reduction for DVLA will reduce the number of victims being served by 1,500 per biennium.

Performance Measure Detail

Agency Activity Code: A011

Agency Activity Title: Strengthening Criminal Justice Response to Victims of Crime

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
	Output Measures		
002009	Number of victims served	-750	-750

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

DVLA directly builds community capacity. A 10 percent reduction in funding for 48 community-based organizations to support legal advocacy for victims of domestic violence will limit our ability to meet the social needs of Washington's families and build community capacity in our key goal: Vibrant Communities and the associated outcome: Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

DVLA supports Results Washington Goal 4: Healthy and Safe Communities. Within this goal, DVLA helps victims of violence receive the advocacy they need, thereby improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1). Reduced funding will limit the assistance available to help victims of domestic violence with understanding their options decreasing the health and safety of communities.

What are the other important connections or impacts related to this proposal?

Stakeholders with significant concerns regarding negative impacts to communities will include the Washington State Coalition Against Domestic Violence and 48 local community-based domestic violence organizations.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$295,770 per biennium to the DVLA program.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

Further reductions to legal advocacy services will severely diminish the capacity to assist victims of domestic violence with needed activities such as safety planning and protection orders. There is no other funding designated specifically for domestic violence legal advocacy.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding to the DVLA program by \$125,901 per year approximately \$2,623 per year for each of the 48 contracted service providers. It also reduces staff cost of \$21,984 per year for 0.1 Administrative Assistant 3 and 0.1 Office Assistant 3 that provide administrative support, program support, and site monitoring and technical assistance for providers. The staff costs include \$1,894 per year for 0.02 FTE associated to division operations that are responsible for communications, budget, and policy support of CSHD. Reducing capacity in these areas may result in less proactive and strategically planned initiatives on behalf of the division. Our ability to respond to external stakeholders such as the media, policy makers, budget writers, and others will be reduced. This also reduces 0.02 associated indirect FTE as well.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-2017 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	(8,049)	(8,049)	(16,098)
B	Employee Benefits	(3,294)	(3,294)	(6,558)
C	Personal Service Contracts			
E	Goods and Services	(7,543)	(7,543)	(15,086)
G	Travel	(3,098)	(3,098)	(6,196)
J	Capital Outlays			
N	Grants	(125,901)	(125,901)	(251,802)
T	Intra-Agency Reimbursements			
Total Objects		(147,885)	(147,885)	(295,770)

State of Washington
Decision Package

FINAL

Agency: 103 Department of Commerce
Decision Package Code/Title: B9 Reduce Energy Office Funding
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal decreases funding and staff time in the Energy Office and will result in less direct participation and support for secondary activities related to Results Washington and the State's energy priorities, especially those related to coal-fired electricity and clean transportation. The Department of Commerce will have less staff time available to work with the Utilities and Transportation Commission (UTC) on efforts to decrease coal use by state utilities and have very limited staff time available to work with Department of Transportation (WSDOT) on efforts to create vehicle electrification statewide.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(49,528)	(49,528)	(99,056)
Total Cost			(49,528)	(49,528)	(99,056)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.3)	(0.3)	(0.3)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General Fund-State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

The Department of Commerce's mission is to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and sustainable infrastructure. The State Energy Office in the Department of Commerce works toward meeting this mission by helping Washington residents and business owners enjoy a reliable energy infrastructure, supporting Washington's clean energy businesses, and assisting Washington residents and business owners in reducing their energy use.

Current Situation

The State Energy Office is focused on addressing many of the provisions in the Governor's energy agenda and Results Washington Goal 3: Sustainable Energy and a Clean Environment. Commerce has received no additional

funds to meet the requirements of either Results Washington or the Governor's energy agenda. Reducing our General Fund-State budget 15% will reduce our efforts in responding to the requirements of both. Specifically this reduction will result in less staff available to work with other agencies on the areas where Commerce does not have prime responsibility especially those related to clean transportation and coal-fired electricity imports.

Proposed Solution

The State Energy Office will focus on the areas where Commerce does have prime responsibility – clean technology, energy efficiency, and state government operations.

Division Budget Coordinator: Cory Plantenberg, 360-725-3111
Agency Subject Matter Expert: Tony Usibelli, 360-725-3110

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The Energy Office will be less able to respond to the primary agencies responsible for clean transportation and coal-fired electricity imports.

Performance Measure Detail

This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A049
Agency Activity Title: Energy Office

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This decision package is submitted in response to the state's need to prepare a balanced budget within the limited resources available. The inclusion of this decision package does not further Commerce's efforts to meet our strategic goals; however, it may be necessary in order to achieve the reductions needed at a statewide level.

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcome: Decreased Carbon Footprint.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The Governor's Results Washington Priorities includes Goal 3: Sustainable Energy and a Clean Environment. Reductions in funding for the Energy Office makes participation and outcome achievement more difficult as we have less staff time available to participate in Goal 3 related activities.

What are the other important connections or impacts related to this proposal?

None.

What alternatives were explored by the agency and why was this alternative chosen?

When determining how to satisfy the 15 percent General Fund-State budget reduction, Commerce considered multiple options. One consideration was the priority of the programs in comparison to others required by statute

or administered by the department based on immediate public needs. While all options considered were difficult, the result is a recommended reduction of \$99,056 per biennium to the State Energy Office funding for services deemed less priority.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

The consequences would be less funding to support Governor's initiatives and the agency strategic plan.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This reduction will decrease funding and time available to further the Energy Office's participation in Results Washington and the Governor's energy agenda by 0.27 of a Senior Energy Policy Specialist and 0.02 of an Energy Policy Specialist as well as 0.05 associated indirect FTEs. Commerce would not be able to participate on UTC work related to decreased coal use by state utilities and would only have very limited resources to work with WSDOT on vehicle electrification.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-2017 biennium and will be ongoing

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	(27,795)	(27,795)	(55,590)
B	Employee Benefits	(7,157)	(7,157)	(14,314)
C	Personal Service Contracts			
E	Goods and Services	(14,576)	(14,576)	(29,152)
G	Travel			
J	Capital Outlays			
T	Intra-Agency Reimbursements			0
Total Objects		(49,528)	(49,528)	(99,056)

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Agency: 103 Department of Commerce
Decision Package Code/Title: C0 Reduce Housing and Essential Needs
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

To satisfy OFM's 15 percent agencywide reduction target, this proposal reduces funding for the Housing and Essential Needs (HEN) program by 13 percent, resulting in 580 people who will not be served with rent assistance each month.

HEN provides rent assistance and essential needs through a statewide network of nonprofit and local government housing providers. Because recipients are disabled, unable to work, and are homeless or at imminent risk of homelessness, a reduction could lead to some clients being hospitalized or dying of exposure.

This also includes a reduction in the program's proportionate share of division operations support.

Fiscal Detail

Operating Expenditures			<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	001-1	General Fund-State	(3,748,613)	(3,748,613)	(7,497,226)
Total Cost			(3,748,613)	(3,748,613)	(7,497,226)
Staffing			<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
	FTEs		(0.1)	(0.1)	(0.1)

Package Description:

Background

The Office of Financial Management has required that agencies submit a 15 percent reduction to the Department's maintenance level budget in our 15-17 operating budget request for unprotected Near-General-Fund State programs. This decision package represents one of several reduction packages submitted by the Department of Commerce to meet this requirement.

In an average month HEN provides rent assistance to 4,010 people and essential needs (i.e., toiletries and bus passes) to 3,576 people. Rent assistance and essential needs are administered by local nonprofit agencies and local governments.

Eligibility for the program is determined by the Department of Social and Health Services (DSHS) based on the following criteria: 1) medical evidence that an individual is temporarily disabled and unable to work; 2) must not have dependent children in the household; 3) must not have other significant assets or income; and 4) must also be homeless or at imminent risk of becoming homeless.

Current Situation

Significant reductions to the agency's overall General Fund-State budget impact HEN because HEN is such a large portion of the department's General Fund-State budget.

Proposed Solution

This proposal reduces HEN spending by 13 percent, resulting in a reduction of 580 people served with rent assistance each month (-580 people enrolled), nearly all of whom are or are highly likely to become homeless.

This proposal also reduces administrative spending by 13 percent by eliminating performance data tracking of long-term outcomes of program participants.

Currently every person determined to be eligible by DSHS is served by the program. This reduction will result in eligible people being turned away and left to live outside or other places not fit for human habitation such as cars and abandoned buildings. Because this population is especially vulnerable due to their documented disabilities and documented lack of other housing options, some may be hospitalized or die of exposure.

Division Budget Coordinator: Connie Shumate, 360-725-2911

Agency Subject Matter Expert: Tedd Kelleher, 360-725-2930

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

Outcomes of this reduction will include:

An increase in the number of unsheltered homeless people at a point in time by an estimated 580 people (from 6,289 to 6,869).

Performance Measure Detail

Agency Activity Code: A157

Agency Activity Title: Homeless Housing and Assistance

		Incremental Changes	
		<u>FY 2016</u>	<u>FY2017</u>
002630	Outcome Measures		
	Number of homeless people	580	580
002629	Output Measures		
	Individuals Receiving Housing Assistance	-580	-580

Is this DP essential to implement a strategy identified in the agency's strategic plan?

This may reduce Commerce's ability to meet our key goal: Vibrant Communities and the associated outcomes: Build and Maintain Local Capacity and Equitable resources for disadvantaged areas and populations.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The HEN funding supports the Results Washington Goal 4: Healthy and Safe Communities. Within this goal this program helps vulnerable populations become independent and self-sufficient by improving Stability and Self Sufficiency (Goal 4, Outcome Measure 3.1.c): Decrease number of homeless people from 17,775 in 2013 to 16,000 by 2015 (a 10 percent reduction). This package will increase this measure by about 580 people at a point in time (a three percent increase).

What are the other important connections or impacts related to this proposal?

Poverty and housing stakeholders will strongly oppose a cut to this program. The HEN program originated as part of a bipartisan compromise to dramatically reduce funding for disabled single people. Savings were realized by abolishing a small cash grant for disabled people and replacing it with rent assistance and essential needs for the portion of the previously eligible population facing homelessness.

This program was created in a lean environment with no supportive services such as case management, leaving little room to reduce funding without directly cutting the number of individuals served.

What alternatives were explored by the agency and why was this alternative chosen?

This proposal is part of a balanced package of programmatic and administrative cuts. Only cutting funding for direct services was determined to be too great an impact on the population served, while only cutting administrative funding was determined to have too great an impact on the ability of the program to function effectively.

What are the consequences of not funding this package? Or if this is a reduction package, what are the consequences of adopting this package?

If this proposal is adopted approximately 580 additional people will be living unsheltered. Some of these 580 unserved people may become hospitalized and some may die of exposure.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditures:

This package reduces funding passed through to local providers by \$3,671,870 per year for rent assistance and essential needs for approximately 580 people at a point in time.

Average cost to provide rent assistance and essential needs to an individual: approximately \$528 per month

Pass through reduction: $(\$528 \times 579.53 \text{ people}) \times 12 \text{ months} = \$3,671,870$

It also reduces program administrative costs by eliminating analysis of performance of the HEN program contracted to DSHS's Research and Data Analysis Division by \$67,592 per year, as well as 0.07 FTE for division operations by \$9,151 per year. The FTE impacted by this reduction are responsible for communications, budget, and policy support of CSHD. Reducing capacity in these areas may result in less proactive and strategically planned initiatives on behalf of the division. Our ability to respond to external stakeholders such as the media, policy makers, budget writers, and others will be reduced. This also reduces 0.01 associated indirect FTEs as well.

Which costs or savings and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a reduction for the 2015-17 biennium and will be ongoing.

<u>Object Detail</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A	Salaries and Wages	(4,761)	(4,761)	(9,522)
B	Employee Benefits	(1,387)	(1,387)	(2,774)
C	Personal Service Contracts			
E	Goods and Services	(70,595)	(70,595)	(141,190)
G	Travel			
J	Capital Outlays			
N	Grants	(3,671,870)	(3,671,870)	(7,343,740)
T	Intra-Agency Reimbursements			
Total Objects		(3,748,613)	(3,748,613)	(7,497,226)

BASS - BDS029

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2015-17
Dollars in thousands
103 - Department of Commerce
Agency Level
CL - 2015-17 Biennium Budget
Supporting Text Excluded

001 - General Fund
N1 - Sector Economic Development
Total - 0541 - Contributions Grants - P/L

001 - General Fund - Private/Local
Total - 001 - General Fund

04R - Drinking Water Asst.
90 - Maintenance Level Revenue
Total - 0409 - Interest Income - S

90 - Maintenance Level Revenue
Total - 0444 - Grant Repayments - S

90 - Maintenance Level Revenue
Total - 0866 - Loan Principal Repay - S

04R - Drinking Water Asst. - State
Total - 04R - Drinking Water Asst.

058 - Public Works Assist
90 - Maintenance Level Revenue
Total - 0409 - Interest Income - S

90 - Maintenance Level Revenue
Total - 0444 - Grant Repayments - S

90 - Maintenance Level Revenue
Total - 0866 - Loan Principal Repay - S

058 - Public Works Assist - State

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	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
			100	100			
			100	100	100	100	200
			100	100	100	100	200
			100	100	100	100	200
	2,639	2,876					
	2,639	2,876			2,639	2,876	5,515
	11,844	12,905					
	11,844	12,905			11,844	12,905	24,749
	3,049	3,323					
	3,049	3,323			3,049	3,323	6,372
	17,532	19,104			17,532	19,104	36,636
	17,532	19,104			17,532	19,104	36,636
	6,731	6,593					
	6,731	6,593			6,731	6,593	13,324
	3,365	3,296					
	3,365	3,296			3,365	3,296	6,661
	102,078	99,985					
	102,078	99,985			102,078	99,985	202,063
	112,174	109,874			112,174	109,874	222,048

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2015-17
Dollars in thousands
103 - Department of Commerce
Agency Level
CL - 2015-17 Biennium Budget
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	Maintenance Level		Performance Level		Biennium Totals		
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	Total
Total - 058 - Public Works Assist	112,174	109,874			112,174	109,874	222,048
05R - Drinking Water Assis							
90 - Maintenance Level Revenue	750	375					
Total - 0420 - Charges for Services - S	750	375			750	375	1,125
05R - Drinking Water Assis - State	750	375			750	375	1,125
Total - 05R - Drinking Water Assis	750	375			750	375	1,125
06K - Lead Paint Account							
90 - Maintenance Level Revenue	75	80					
Total - 0299 - Other Licenses Permi - S	75	80			75	80	155
06K - Lead Paint Account - State	75	80			75	80	155
Total - 06K - Lead Paint Account	75	80			75	80	155
07R - Drinking Water Repay							
90 - Maintenance Level Revenue	590	757					
Total - 0409 - Interest Income - S	590	757			590	757	1,347
90 - Maintenance Level Revenue	2,516	3,228					
Total - 0866 - Loan Principal Repay - S	2,516	3,228			2,516	3,228	5,744
07R - Drinking Water Repay - State	3,106	3,985			3,106	3,985	7,091
Total - 07R - Drinking Water Repay	3,106	3,985			3,106	3,985	7,091
10B - Home Security Fund							
90 - Maintenance Level Revenue	16,921	19,371					

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2015-17
 Dollars in thousands
 103 - Department of Commerce
 Agency Level
 CL - 2015-17 Biennium Budget
 Supporting Text Excluded

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	Maintenance Level		Performance Level		Biennium Totals		
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	Total
10B - Home Security Fund							
Total - 0425 - Filing/Legal Svcs - S	16,921	19,371			16,921	19,371	36,292
10B - Home Security Fund - State							
Total - 10B - Home Security Fund	16,921	19,371			16,921	19,371	36,292
	16,921	19,371			16,921	19,371	36,292
12C - Affordable Housing							
90 - Maintenance Level Revenue	4,241	4,848			4,241	4,848	9,089
Total - 0425 - Filing/Legal Svcs - S	4,241	4,848			4,241	4,848	9,089
12C - Affordable Housing - State							
Total - 12C - Affordable Housing	4,241	4,848			4,241	4,848	9,089
	4,241	4,848			4,241	4,848	9,089
150 - Low-Inc Weathr Asstc							
90 - Maintenance Level Revenue	540	540			540	540	1,080
Total - 0499 - Other Revenue - S	540	540			540	540	1,080
150 - Low-Inc Weathr Asstc - State							
Total - 150 - Low-Inc Weathr Asstc	540	540			540	540	1,080
	540	540			540	540	1,080
15P - Energy Recovery							
90 - Maintenance Level Revenue	75	75			75	75	150
Total - 0401 - Invest Income - S	75	75			75	75	150
90 - Maintenance Level Revenue	2,837	3,097			2,837	3,097	5,934
Total - 0444 - Grant Repayments - S	2,837	3,097			2,837	3,097	5,934
15P - Energy Recovery - State							
Total - 15P - Energy Recovery	2,912	3,172			2,912	3,172	6,084
	2,912	3,172			2,912	3,172	6,084

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State of Washington

Summarized Revenue by Account and Source

Budget Period: 2015-17

Dollars in thousands

103 - Department of Commerce

Agency Level

CL - 2015-17 Biennium Budget

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	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
Total - 0499 - Other Revenue - S	1	1			1	1	2
90 - Maintenance Level Revenue	200	200					
Total - 0866 - Loan Principal Repay - S	200	200			200	200	400
532 - Wa Housing Trst Ac - State	4,559	5,027			4,559	5,027	9,586
Total - 532 - Wa Housing Trst Ac	4,559	5,027			4,559	5,027	9,586
759 - Miscellaneous Pgm							
90 - Maintenance Level Revenue	105	105					
Total - 0409 - Interest Income - S	105	105			105	105	210
759 - Miscellaneous Pgm - State	105	105			105	105	210
Total - 759 - Miscellaneous Pgm	105	105			105	105	210
777 - Prostitution Prevent							
90 - Maintenance Level Revenue	24	24					
Total - 0299 - Other Licenses Permi - S	24	24			24	24	48
777 - Prostitution Prevent - State	24	24			24	24	48
Total - 777 - Prostitution Prevent	24	24			24	24	48
887 - Pub Facil Const Ln							
90 - Maintenance Level Revenue	821	536					
Total - 0409 - Interest Income - S	821	536			821	536	1,357
90 - Maintenance Level Revenue	295	297					
Total - 0444 - Grant Repayments - S	295	297			295	297	592
887 - Pub Facil Const Ln							

BASS - BDS029

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2015-17
Dollars in thousands
103 - Department of Commerce
Agency Level
CL - 2015-17 Biennium Budget
Supporting Text Excluded

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	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
90 - Maintenance Level Revenue	2,759	3,735					
Total - 0866 - Loan Principal Repay - S	2,759	3,735			2,759	3,735	6,494
887 - Pub Facil Const Ln - State	3,875	4,568			3,875	4,568	8,443
Total - 887 - Pub Facil Const Ln	3,875	4,568			3,875	4,568	8,443
103 - Department of Commerce - State	171,849	176,432	250	250	172,099	176,682	348,781
103 - Department of Commerce - Private/Local			100	100	100	100	200
Total - 103 - Department of Commerce	171,849	176,432	350	350	172,199	176,782	348,981

Department of Commerce Proposed Fee Changes

Commerce is not proposing any fee changes for the 2015-17 biennium.

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Budget Period: 2015-17
Agency: 103 Department of Commerce
Version: CL 2015-17 Biennium Budget

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FUND	FUND TITLE	FUND ADMINISTRATOR AGENCY ONLY	
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
		Current Biennium	Ensuing Biennium
06K	Lead Paint Account	13,250	12,994
08E	Individual Development Account Prog	4,170	
10B	Home Security Fund Account	857,076	956,153
12C	Affordable Housing for All Account	992,917	428,379
14M	Financial Fraud & Id Theft Crimes	59,118	
150	Low-Income Weatherization Asst Acct	155,508	108,333
15A	Transitional Housing Oper & Rent	569,733	670,413
15P	Energy Recovery Act Account	126,473	583,333
17L	Foreclosure Fairness Account	654,498	654,498
205	Mobile Home Park Relocation Account	40,529	65,529
263	Community/Economic Development Fee	215,525	207,503

Budget Period: 2015-17
Agency: 103 Department of Commerce
Version: CL 2015-17 Biennium Budget

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FUND	FUND TITLE	FUND ADMINISTRATOR AGENCY ONLY	
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
		Current Biennium	Enacting Biennium
532	Washington Housing Trust Account	1,420,604	596,922
689	Rural Washington Loan Account	84,917	291,667
731	Child Care Facility Revolving Acct	3,868	4,167
746	Hanford Area Economic Investment	9,530	
759	Miscellaneous Program Account	1,362,649	682,948
777	Prostitution Prevent/Intervention	4,167	
833	Develop Disability Endowment Trust	282,194	304,167
887	Public Facility Const Loan Revolv	838,927	770,177

Department of Commerce

2015-17 Revenue Transfer Reconciliation Statement

Fiscal Year	Amount	Source 06-22 Transfer Out	Source 06-21 Transfer In	Purpose
2016	\$4,400,000	058 Public Works Assistance Account	04R Drinking Water Assistance Account	Estimate match for EPA Drinking Water Grant
2017	\$4,400,000	058 Public Works Assistance Account	04R Drinking Water Assistance Account	Estimate match for EPA Drinking Water Grant
2016	\$6,000,000	058 Public Works Assistance Account	727 Water Pollution Control Revolving Account	State Match for Ecology Water Pollution Control
2017	\$6,000,000	058 Public Works Assistance Account	727 Water Pollution Control Revolving Account	State Match for Ecology Water Pollution Control
2016	\$7,500,000	108 Home Security Fund Account	15A Transitional housing operating and rent account	Estimate based on 2013-15 biennium Legislature authorizes transfer for Transitional housing assistance or partial payments for rental assistance program

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AGENCY	Page	
	Code	Title
	103	Department of Commerce

2015-17 Federal Funding Estimates Summary

CFDA NO.*	Agency/Activity #	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source
	Agency Total				
	FY 2014	91,207,608	109,028,614	2,932,416	
	FY 2015	126,122,885	126,029,461	2,638,768	varies
	FY 2016	105,478,215	123,155,106	2,562,213	varies
	FY 2017	105,475,211	134,638,513	4,108,292	varies
	Federal Agency Name				
11.112	US Commerce				
	Activity # A171				
	FY 2014	0	0	0	
	FY 2015	151,616	113,712	112,967	001-1
	FY 2016	122,666	129,904	127,831	001-1
	FY 2017	0	48,666	56,484	001-1
11.609	NIST (National Inst of Standards & Tech)				
	Activity # A171				
	FY 2014	0	0	0	
	FY 2015	412,635	309,474	0	
	FY 2016	0	103,158	0	
	FY 2017	0	0	0	
12.617	Dept of Defense				
	Activity # A184				
	FY 2014	0	0	0	
	FY 2015	2,380,000	2,380,000	0	
	FY 2016	1,980,000	1,980,000	0	
	FY 2017	0	0	0	
14.228	Federal Agency Name				
	HUD				
	Activity # A096				
	FY 2014	12,494,550	13,711,747	223,904	001-1
	FY 2015	12,900,000	12,900,000	223,904	001-1
	FY 2016	12,500,000	12,500,000	223,904	001-1
14.231	Federal Agency Name				
	HUD				
	Activity # A157				
	FY 2014	1,199,156	1,289,802	2,388,958	10B-1
	FY 2015	1,425,486	1,900,648	1,800,648	10B-1
	FY 2016	2,612,500	2,850,000	1,800,648	10B-1
14.235	Federal Agency Name				
	HUD				
	Activity # A157				
	FY 2014	41,983	41,983	0	
	FY 2015	0	0	0	
	FY 2016	107,312	143,062	0	
14.239	Federal Agency Name				
	HUD				
	Activity # A159				
	FY 2014	8,881,900	6,783,092	0	
	FY 2015	4,348,994	4,698,994	0	
	FY 2016	4,961,813	6,615,750	0	
14.241	Federal Agency Name				
	HUD				
	Activity # A157				
	FY 2014	811,054	1,063,198	0	
	FY 2015	1,683,953	2,245,271	0	
	FY 2016	1,253,148	1,764,398	0	
14.267	Federal Agency Name				
	HUD				
	Activity # A157				
	FY 2014	0	0	0	
	FY 2015	0	0	0	
	FY 2016	52,160	69,546	0	
	FY 2017	69,546	104,319	0	

CFDA NO.*	Agency/Activity #	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source
14.326	Federal Agency Name				
	HUD				
	Activity # A157				
	FY 2014	0	0	0	
	FY 2015	0	0	0	
	FY 2016	60,000	80,000	0	
	FY 2017	60,000	80,000	0	
14.900	Federal Agency Name				
	HUD				
	Activity # A064				
	FY 2014	0	0	0	
	FY 2015	0	0	0	
	FY 2016	620,063	826,750	0	
	FY 2017	620,063	826,750	0	
16.575	Federal Agency Name				
	DOJ				
	Activity # A008				
	FY 2014	6,482,576	6,610,053	0	
	FY 2015	4,189,726	5,586,302	0	
	FY 2016	10,214,163	13,433,875	0	
	FY 2017	13,843,566	18,458,088	0	
16.588	Federal Agency Name				
	DOJ				
	Activity # A011				
	FY 2014	2,323,329	3,239,733	0	
	FY 2015	1,317,106	1,756,141	0	
	FY 2016	2,737,813	3,181,379	0	
	FY 2017	2,514,225	4,376,667	0	
16.590	Federal Agency Name				
	DOJ				
	Activity # A011				
	FY 2014	195,437	156,380	0	
	FY 2015	821,049	656,839	0	
	FY 2016	1,108	1,477	0	
	FY 2017	300,000	225,000	0	
16.735	Federal Agency Name				
	DOJ				
	Activity # A177				
	FY 2014	68,199	68,199	0	
	FY 2015	0	0	0	
	FY 2016	0	0	0	
	FY 2017	0	0	0	
16.738	Federal Agency Name				
	DOJ				
	Activity # A177				
	FY 2014	2,195,206	3,167,765	0	
	FY 2015	1,458,055	726,320	0	
	FY 2016	3,768,453	4,546,511	0	
	FY 2017	3,653,262	3,653,262	0	
16.750	Federal Agency Name				
	DOJ				
	Activity # A177				
	FY 2014	121,742	121,742	0	
	FY 2015	205,912	205,912	0	
	FY 2016	288,900	288,900	0	
	FY 2017	521,877	536,238	0	
21.999	Federal Agency Name				
	Treasury				
	Activity # A164				
	FY 2014	3,482,027	3,482,027	0	
	FY 2015	4,900,000	4,900,000	0	
	FY 2016	340,499	340,499	0	
	FY 2017	0	0	0	
59.061	Federal Agency Name				
	US SBA (Small Business Administration)				
	Activity # A171				
	FY 2014	434,063	347,250	0	
	FY 2015	494,200	400,000	124,988	001-1
	FY 2016	0	94,200	41,662	001-1
	FY 2017	0	0	0	

CFDA NO.*	Agency/Activity #	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source
66.707	Federal Agency Name				
	EPA				
	Activity # A064				
	FY 2014	363,189	227,674	0	
	FY 2015	272,392	363,189	0	
	FY 2016	363,189	272,392	0	
	FY 2017	0	0	0	
66.818	Federal Agency Name				
	EPA				
	Activity # A167				
	FY 2014	5,000	35,708	0	
	FY 2015	0	0	0	
	FY 2016	0	0	0	
	FY 2017	500,000	500,000	0	
81.041	Federal Agency Name				
	DOE				
	Activity # A180				
	FY 2014	1,485,743	1,485,743	133,668	001-1
	FY 2015	710,540	710,540	142,108	001-1
	FY 2016	741,117	859,540	133,668	001-1
	FY 2017	592,117	710,540	142,108	001-1
81.042	Federal Agency Name				
	DOE				
	Activity # A065				
	FY 2014	2,212,052	2,949,403	0	
	FY 2015	2,992,531	3,990,041	0	
	FY 2016	4,061,399	4,061,399	0	
	FY 2017	5,779,462	6,111,459	0	
81.F13	Federal Agency Name				
	BPA				
	Activity # A065				
	FY 2014	2,192,164	2,965,569	0	
	FY 2015	2,192,164	2,371,042	0	
	FY 2016	3,183,413	2,650,060	0	
	FY 2017	0	683,353	0	
81.117	Federal Agency Name				
	DOE				
	Activity # A049				
	FY 2014	799,815	1,066,420	23,901	001-1
	FY 2015	437,685	583,580	52,570	001-1
	FY 2016	250,000	500,000	50,000	001-1
	FY 2017	0	0	0	
81.117	Federal Agency Name				
	DOE				
	Activity # A065				
	FY 2014	80,305	80,305	0	
	FY 2015	0	0	0	
	FY 2016	94,500	126,000	0	
	FY 2017	94,500	126,000	0	
81.119	Federal Agency Name				
	DOE				
	Activity # A049				
	FY 2014	616,343	493,074	104,985	001-1
	FY 2015	778,155	632,524	124,583	001-1
	FY 2016	987,327	1,031,846	127,500	001-1
	FY 2017	656,250	875,000	27,500	001-1
93.568	Federal Agency Name				
	HHS (Health & Human Services)				
	Activity # A013				
	FY 2014	37,915,537	51,302,638	0	
	FY 2015	75,316,856	69,381,491	0	
	FY 2016	42,258,276	56,344,368	0	
	FY 2017	48,786,702	65,048,936	0	

CFDA NO.*	Agency/Activity #	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source
93.569	Federal Agency Name				
	HHS (Health & Human Services)				
	Activity # A003				
	FY 2014	5,763,369	7,202,913	0	
	FY 2015	6,103,653	8,138,204	0	
	FY 2016	11,285,358	7,190,671	0	
93.630	FY 2017	7,490,282	9,987,042	0	
	Federal Agency Name				
	HHS (Health & Human Services)				
	Activity # A005				
	FY 2014	1,042,869	1,136,196	57,000	001-1
	FY 2015	630,177	1,079,237	57,000	001-1
	FY 2016	633,038	1,169,401	57,000	001-1
	FY 2017	843,676	1,124,901	57,000	001-1

	Code	Title
AGENCY	103	Department of Commerce

PROPOSED 2015-17 Federal Funding Estimates Summary for SSB 5804

CFDA NO.*	Agency	A) Federal Fiscal Year	B) State Fiscal Year	C) Federal Funds % of Agency Budget for State FY	D) Federal Grant Projections Under a 5% Reduction from FY 2015	E) Federal Grant Projections Under a 25% Reduction from FY 2015	F) Probability Grant Will be Subject to Reduction (1 to 5)	G) Agency Plans to Implement Reduction (Categories 1 to 5)	Comments
Agency Total									
	FY 2014	91,207,608	109,028,614	0	0	0			
	FY 2015	122,797,069	122,885,749	0	116,741,462	92,164,312			
	FY 2016	102,800,549	120,476,002	0	114,452,202	90,357,002			
	FY 2017	104,913,161	133,738,397	0	127,051,477	100,303,798			
Federal Agency Name									
11.609	NIST								Comment: National Inst of Standards & Tech Award. These funds support program for cybersecurity training for veterans. This program is currently a one-time award.
	FY 2014	0	0		0	0			
	FY 2015	412,635	309,474		294,000	232,106	1		
	FY 2016	0	103,158		98,000	77,369	1	5	
	FY 2017	0	0		0	0			
Federal Agency Name									
14.228	HUD								Comment: Community Development Block Grant. These funds invest federal resources in communities through grants for planning construction, facility upgrades and services for low and moderate income households
	FY 2014	12,494,550	13,711,747		0	0			
	FY 2015	12,900,000	12,900,000		12,255,000	9,675,000	1	Not likely all could apply	
	FY 2016	12,500,000	12,500,000		11,875,000	9,375,000	1	Not likely all could apply	
	FY 2017	12,500,000	12,500,000		11,875,000	9,375,000	1	Not likely all could apply	
Federal Agency Name									
14.231	HUD								Comment: Emergency Solutions Grant
	FY 2014	1,199,156	1,289,802		0	0			
	FY 2015	1,425,486	1,900,648		1,805,616	1,425,486	1	Not likely all could apply	
	FY 2016	2,612,500	2,850,000		2,707,500	2,137,500	1	Not likely all could apply	
	FY 2017	1,662,500	1,900,000		1,805,000	1,425,000	1	Not likely all could apply	
Federal Agency Name									
14.235	HHS								Comment: HHS (Homeless Mgmt Information System)
	FY 2014	41,983	41,983		0	0			
	FY 2015	0	0		0	0			
	FY 2016	107,312	143,082		135,928	107,312	1	Not likely all could apply	
	FY 2017	196,738	178,853		169,910	134,140	1	Not likely all could apply	
Federal Agency Name									
14.239	HUD								Comment: HOME (Home Investment Partnership Act) Grant. Each year the award continues to be reduced. We anticipate that to continue into the new biennium. This will impact the amount of money available to contract out. Eventually could impact administration.
	FY 2014	8,881,900	6,783,092		0	0			
	FY 2015	4,348,994	4,698,994		4,464,044	3,524,246	5	2	
	FY 2016	4,961,813	6,615,750		6,284,963	4,961,813	5	2	
	FY 2017	3,796,331	5,061,775		4,808,686	3,796,331	5	2	
Federal Agency Name									
14.241	HUD								Comment: 1) HOPWA (Housing Opportunities for Persons w/Aids Grant; 2) Lead Hazard Control; and 3) REACH FFY14. For Lead Hazard Control, there may be a reduction. This will impact pass-through to contractors.
	FY 2014	811,054	1,063,198		0	0			
	FY 2015	1,683,953	2,245,271		2,133,007	1,683,953	1, 3, 1	Not likely all could apply, except 2 for Lead Hazard Control	
	FY 2016	1,253,148	1,764,398		1,676,178	1,323,299	1, 3, 1	Not likely all could apply, except 2 for Lead Hazard Control	
	FY 2017	994,114	1,521,664		1,445,581	1,141,248	1, 3, 1	Not likely all could apply, except 2 for Lead Hazard Control	
Federal Agency Name									
14.267	HUD								Comment: COC (Continuum of Care) Planning Grant
	FY 2014	0	0		0	0			
	FY 2015	0	0		0	0			
	FY 2016	52,160	69,546		66,069	52,160	1	Not likely all could apply	
	FY 2017	69,546	104,319		99,103	78,239	1	Not likely all could apply	

CFDA NO.*	Agency	A) Federal Fiscal Year	B) State Fiscal Year	C) Federal Funds % of Agency Budget for State FY	D) Federal Grant Projections Under a 5% Reduction from FY 2015	E) Federal Grant Projections Under a 25% Reduction from FY 2015	F) Probability Grant Will be Subject to Reduction (1 to 5)	G) Agency Plans to Implement Reduction (Categories 1 to 5)	Comments
14.326	Federal Agency Name								Comment: 811 Project FFY14. This is a five year pilot project and anticipate that it will be on-going.
	HUD								
	FY 2014	0	0		0	0			
	FY 2015	0	0		0	0			
	FY 2016	60,000	80,000		76,000	60,000	1	Not likely all could apply	
	FY 2017	60,000	80,000		76,000	60,000	1	Not likely all could apply	
14.900	Federal Agency Name								Comment: Lead Based Paint
	HUD								
	FY 2014	0	0		0	0			
	FY 2015	0	0		0	0			
	FY 2016	620,063	826,750		785,413	620,063	1	Not likely all could apply	
	FY 2017	620,063	826,750		785,413	620,063	1	Not likely all could apply	
16.575	Federal Agency Name								Comment: VOCA (Victims of Crime Assistance)
	DOJ								
	FY 2014	6,482,576	6,610,053		0	0			
	FY 2015	4,189,726	5,586,302		5,306,987	4,189,727	1	Not likely all could apply	
	FY 2016	10,214,163	13,433,875		12,762,181	10,075,406	1	Not likely all could apply	
	FY 2017	13,843,566	18,458,088		17,535,184	13,843,566	1	Not likely all could apply	
16.588	Federal Agency Name								Comment: 1) SA (Sexual Assault) Formula Grant; 2) STOP (WA State Violence Against Women Act) Grant
	DOJ								
	FY 2014	2,323,329	3,239,733		0	0			
	FY 2015	1,317,106	1,756,141		1,668,334	1,317,106	1,1	Not likely all could apply	
	FY 2016	2,737,813	3,181,379		3,022,310	2,386,034	1,1	Not likely all could apply	
	FY 2017	2,514,225	4,376,667		4,157,834	3,282,500	1,1	Not likely all could apply	
16.590	Federal Agency Name								Comment: GTEA (Grants to Encourage Arrest Policies and Enforcement of Protection Orders). This program encourages communities to treat sexual assault, domestic violence, dating violence and stalking as serious crimes. This award use to be a two year award
	DOJ								
	FY 2014	195,437	156,380		0	0			
	FY 2015	821,049	656,839		623,997	492,629	2	1 and 2	
	FY 2016	1,108	1,477		1,403	1,108	2	1 and 2	
	FY 2017	300,000	225,000		213,750	168,750	2	1 and 2	
16.735	Federal Agency Name								Comment:
	DOJ								
	FY 2014	68,199	68,199		0	0			
	FY 2015	0	0		0	0			
	FY 2016	0	0		0	0			
	FY 2017	0	0		0	0			
16.738	Federal Agency Name								Comment: JAG (Justice Assistance Grant) FFY. The last two awards have been reduced. We see this continuing.
	DOJ								
	FY 2014	2,195,206	3,167,765		0	0			
	FY 2015	1,458,055	726,320		690,004	544,740	5	2	
	FY 2016	3,768,453	4,546,511		4,319,185	3,409,883	5	2	
	FY 2017	3,653,262	3,653,262		3,470,599	2,739,947	5	2	
16.750	Federal Agency Name								Comment: SORNA (Sex Offender Registration and Notification Act)
	DOJ								
	FY 2014	121,742	121,742		0	0			
	FY 2015	205,912	205,912		195,616	154,434	1	Not likely all could apply	
	FY 2016	288,900	288,900		274,455	216,675	1	Not likely all could apply	
	FY 2017	521,877	536,238		509,426	402,179	1	Not likely all could apply	
21.399	Federal Agency Name								Comment: SSBCI (State Small Business Credit Initiative). These funds help finance small businesses that are creditworthy.
	Treasury								
	FY 2014	3,482,027	3,482,027		0	0			
	FY 2015	4,900,000	4,900,000		4,655,000	3,675,000	1	Not likely all could apply	
	FY 2016	340,499	340,499		323,474	255,374	1	Not likely all could apply	
	FY 2017	0	0		0	0			

CFDA NO.*	Agency	A) Federal Fiscal Year	B) State Fiscal Year	C) Federal Funds % of Agency Budget for State FY	D) Federal Grant Projections Under a 5% Reduction from FY 2015	E) Federal Grant Projections Under a 25% Reduction from FY 2015	F) Probability Grant Will be Subject to Reduction (1 to 5)	G) Agency Plans to Implement Reduction (Categories 1 to 5)	Comments
59.061	Federal Agency Name US SBA (Small Business Administration)								Comment: State Trade & Export Promotion (STEP). These funds assist eligible small businesses enter and succeed in the International marketplace
	FY 2014	434,063	347,250		0	0			
	FY 2015	0	0		0	0			
	FY 2016	300,000	400,000		380,000	300,000	1	Not likely at could apply	
	FY 2017	94,200	23,550		22,373	17,663	1	Not likely at could apply	
66.707	Federal Agency Name EPA								Comment: Lead Based Paint
	FY 2014	363,189	227,674		0	0			
	FY 2015	272,392	363,189		345,030	272,392	1	Not likely at could apply	
	FY 2016	363,189	272,392		258,772	204,294	1	Not likely at could apply	
	FY 2017	0	0		0	0			
66.818	Federal Agency Name EPA								Comment: BRLF (Brownfield) -2 Management
	FY 2014	5,000	35,708		0	0			
	FY 2015	0	0		0	0			
	FY 2016	0	0		0	0			
	FY 2017	500,000	500,000		475,000	375,000	1	Not likely at could apply	
81.041	Federal Agency Name DOE								Comment: 1.) SEP Grant (ARRA); 2) State Energy Grant; 3) SEP Special Proj National Home Energy Retrofit Market
	FY 2014	1,485,743	1,485,743		0	0			
	FY 2015	710,540	710,540		675,013	532,905	1	Not likely at could apply	
	FY 2016	741,117	859,540		816,563	644,655	1	Not likely at could apply	
	FY 2017	592,117	710,540		675,013	532,905	1	Not likely at could apply	
81.042	Federal Agency Name DOE								Comment: DOE Grant
	FY 2014	2,212,052	2,949,403		0	0			
	FY 2015	2,992,531	3,990,041		3,790,539	2,992,531	1	Not likely at could apply	
	FY 2016	4,061,399	4,061,399		3,858,329	3,046,049	1	Not likely at could apply	
	FY 2017	3,046,049	4,061,399		3,858,329	3,046,049	1	Not likely at could apply	
81.F13	Federal Agency Name BPA								Comment: BPA Grant
	FY 2014	2,192,164	2,965,569		0	0			
	FY 2015	2,192,164	2,371,042		2,252,490	1,778,282	1	Not likely at could apply	
	FY 2016	3,183,413	2,650,060		2,517,557	1,987,545	1	Not likely at could apply	
	FY 2017	2,733,413	2,733,413		2,596,742	2,050,060	1	Not likely at could apply	
81.117	Federal Agency Name DOE								Comment: Pacific NW Solar Partnership
	FY 2014	799,815	1,066,420		0	0			
	FY 2015	437,685	583,580		554,401	437,685	1	Not likely at could apply	
	FY 2016	250,000	500,000		475,000	375,000	1	Not likely at could apply	
	FY 2017	0	0		0	0			
81.117	Federal Agency Name DOE								Comment: DOE AOP (Dept of Energy Annual Operating Plan) FFY.
	FY 2014	80,305	80,305		0	0	1	Not likely at could apply	
	FY 2015	0	0		0	0			
	FY 2016	94,500	126,000		119,700	94,500	1	Not likely at could apply	
	FY 2017	94,500	126,000		119,700	94,500	1	Not likely at could apply	
81.119	Federal Agency Name DOE								Comment: 1.) SEP Special Proj - Energy Efficient Buildings; 2) SEP Special Proj - Energy Efficient Resource Standar; 3) SEP Special Proj - Clean Energy Prog Competitive; 4) State Energy Prog Competitive
	FY 2014	616,343	493,074		0	0			
	FY 2015	478,155	382,524		363,398	286,893	1	Not likely at could apply	
	FY 2016	112,327	156,846		149,004	117,635	1	Not likely at could apply	
	FY 2017	0	0		0	0			

CFDA NO.*	Agency	A) Federal Fiscal Year	B) State Fiscal Year	C) Federal Funds % of Agency Budget for State FY	D) Federal Grant Projections Under a 5% Reduction from FY 2015	E) Federal Grant Projections Under a 25% Reduction from FY 2015	F) Probability Grant Will be Subject to Reduction (1 to 5)	G) Agency Plans to Implement Reduction (Categories 1 to 5)	Comments
93.568	Federal Agency Name								Comment: LIHEAP FFY Grants. These funds provide low-income home energy assistance.
	HHS				0	0			
	FY 2014	37,915,537	51,302,638						
	FY 2015	75,316,856	69,381,491		65,912,416	52,036,118	1	Not likely all could apply	
	FY 2016	42,258,276	56,344,368		53,527,150	42,258,276	1	Not likely all could apply	
93.569	Federal Agency Name								Comment: CSBG FFY Grants. These funds provide local services provided by community action agencies.
	HHS				0	0			
	FY 2014	5,763,369	7,202,913						
	FY 2015	6,103,653	8,138,204		7,731,294	6,103,653	1	Not likely all could apply	
	FY 2016	11,285,358	7,190,671		6,831,137	5,393,003	1	Not likely all could apply	
93.630	Federal Agency Name								Comment: DDC Grant. These funds provide service/supports for individuals with developmental disabilities to that they can live independent productive and integrated lives.
	HHS				0	0			
	FY 2014	1,042,869	1,136,196						
	FY 2015	630,177	1,079,237		1,025,275	809,428	1	Not likely all could apply	
	FY 2016	633,038	1,169,401		1,110,931	877,051	1	Not likely all could apply	
	FY 2017	843,676	1,124,901		1,068,656	843,676	1	Not likely all could apply	

	Code	Title
AGENCY	103	Department of Commerce

NON-BUDGETED LOCAL FUND SUMMARY

DATE September 11, 2014

FUND CODE**	FUND NAME	7/1/13 FUND BALANCE*	6/30/15 ESTIMATED FUND BALANCE	2015-17 ESTIMATED REVENUES	2015-17 ESTIMATED EXPENDITURES	6/30/17 ESTIMATED FUND BALANCE
731	Child Care Facility Revolving Account	843,000	1,097,000	261,000	50,000	1,308,000
759	Miscellaneous Program Account	13,164,000	12,286,000	5,673,000	9,778,000	8,181,000
833	Developmental Disabilities Endowment Trust Account	38,775,000	53,089,000	8,450,000	3,650,000	57,889,000

* This column must agree with the 6/30/13 CAFR balance.

** This shows nonappropriated/nonallotted funds. Nonappropriated/Allotted is reflected in decision package 90-Revenue adjustments.

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Department of Commerce

Puget Sound Partnership Action Agenda

Strategy A1: Focus land development away from ecologically important and sensitive areas

Sub-strategy A1.2: Support local governments to adopt and implement plans, regulations, and policies consistent with protection and recovery targets, and incorporate climate change forecasts.

Near Term Action NTA 3: Financial Support for GMA Updates. Commerce will coordinate broad partner discussion of ways to promote state financial support for local governments for GMA comprehensive plan updates, implementation, training, and education. A proposal for financial support will be developed by December 2014 for discussion by the 2015 legislature.

Performance Measures: In 2015 secure funding. By June 2015 and 2016, provide funding for Puget Sound area jurisdictions to complete their Growth Management Act comprehensive plan updates.

See PL-N4 Growth Management Act Plan Updates for additional information.

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Department of Commerce

JLARC Audit Responses

The Department of Commerce does not currently have any Joint Legislative Audit and Review Committee (JLARC) audit responses outstanding. Our last JLARC audit was for the Local Infrastructure Financing Tool and their final report was published December 11, 2013, Report 13-4. Our response is included in that report and was as follows:



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

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October 25, 2013

TO: Keenan Konopaski, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: Brian Bonlender
Director

SUBJECT: Joint Legislative Audit and Review Committee's Local Infrastructure Financing Tool—
Preliminary Report

Thank you for the opportunity to review and comment on the Joint Legislative Audit and Review Committee's (JLARC) preliminary report titled, *"Local Infrastructure Financing Tool (LIFT): Lack of Data Hinders Evaluation and Administration of the Program."*

The Department of Commerce (Commerce) appreciates the efforts of JLARC to review and thoroughly analyze LIFT. The Community Economic Revitalization Board (CERB) welcomes informed discussion about the original intent and assumptions underlying the LIFT structure to help state government evaluate the effectiveness of tax increment financing.

Commerce partially concurs with the report findings. Commerce will meet with Department of Revenue to identify possible statutory changes to assist in reporting and administration of LIFT.

JLARC recommended CERB identify and recommend to the Legislature whether any statutory changes should be instituted that could improve:	Commerce Response
1) Oversight of the LIFT program	Commerce agrees that clarity and delineation of oversight duties would strengthen the LIFT program.

Mr. Konopaski
October 25, 2013
Page 2

2) State guidance to the local jurisdictions	<p>Because CERB does not receive funding to administer the LIFT program, additional support and guidance to local jurisdictions beyond what is already provided by CERB's staff would mean other duties within the CERB programs would not be performed.</p> <p>If changes are made to the LIFT statute RCW 39.102.140 Local Infrastructure financing tool program reporting requirements, Commerce recommends removing the requirement for a biennial report to the legislature. We suggest combining the required LIFT data with the biennial evaluation report stipulated by RCW 43.160.900 Community economic revitalization board—Evaluations of financial assistance—Reporting of evaluations.</p>
3) The function of the 'state benefit' cap to better serve the LIFT program's purpose of encouraging economic development.	Commerce has no comment on this.

We thank the JLARC staff for their thoughtful review and strong communication with us throughout the review process. With supplemental operating resources CERB could provide additional guidance on data collection and reporting to local governments, as recommended by JLARC.

We look forward to receiving the final report. If you have further questions, please feel free to contact Sonya Smith-Pratt, Internal Auditor, at (360) 725-4030.

cc: Dan McConnon, Deputy Director
Kendee Yamaguchi, Assistant Director

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2015-17 Biennium

ELECTRONIC SUBMITTAL CONFIRMATION FORM

Agency Number: 103

Agency Name: Department of Commerce

Agencies are required to provide electronic access to each decision package in their budget request as part of the submittal process. Confirm Option 1 or 2 below:

Option 1:



This agency posts all decision packages for our 2015-17 budget request to our public facing website at the following URL:

URL: <http://commerce.wa.gov/about/Legislative/Pages/default.aspx>

Option 2:



This agency does not post decision packages and has forwarded copies via e-mail to OFM.Budget@ofm.wa.gov.

These decision packages conform to our agency's ADA accessibility compliance policy.

Agency Contact: Wendi Gunther

Contact Phone: 360-725-2710

Contact E-mail: Wendi.gunther@commerce.wa.gov

Date: 9/18/14

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Department of Commerce

2015-17 Central Services Model Fund Splits

Fund	AppType	Fund Title	Percent
001	1	General Fund	35.92%
001	2	General Fund	25.14%
001	7	General Fund	9.90%
04R	1	Drinking Water Assistance Account	1.64%
058	1	Public Works Assistance Account	5.22%
05R	1	Drinking Water Assistance Admin	0.65%
06K	1	Lead Paint Account	0.32%
10B	1	Home Security Fund Account	5.62%
12C	1	Affordable Housing for All Account	0.60%
150	1	Low-Income Weather/Struct Rehab Asst Acc	0.47%
15A	6	Transitional Housing Operating & Rent Ac	0.05%
174	1	Local Toxics Control Account	0.04%
17L	6	Foreclosure Fairness Account	2.47%
205	6	Mobile Home Park Relocation Account	0.34%
263	1	Community/Economic Development Fee	2.17%
501	1	Liquor Revolving Account	0.12%
532	1	Washington Housing Trust Account	7.75%
887	1	Public Facility Const Loan Revolv	1.58%

Total

100.00%

**Updates based on 2014 expenditures through June close and consideration of dedicated funds no longer available for the 2015-17 biennium.

